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THE TIMES

Fashion: Rise of up-market jeans, page 8

Another 3,000 BL jobs will be cut this year

L indicated to union leaders last night that at ast 3,000 more jobs would have to be cut this ar than were envisaged in Sir Michael dwardes' recovery plan. The redundancies are pected to be spread over several plants rather an confined to one or two.

Four factors cited by management

Donald Macintyre
bour Reporter

British Leyland indicated to ion leaders last night that out 3,000 more jobs would ve to be cut this year than d been envisaged in the covery plan set out by Sir ichael Edwardes.

Mr Raymond Horrocks, maning director of BL Cars, nfirmed at a meeting with e Confederation of Shipilding and Engineering ions that the recovery proamme put forward in Sepnber would have to be celerated.

So far, 3,000 of the 25,000 rkers envisaged to go over e next two years have left d BL expects to slim its rkers by a further 9,000 or by the end of this year, with e rest leaving next year.

Mr Horrocks cited as factors hind the acceleration: the ong value of the pound, ich was affecting export les; higher imports, which re affecting BL's share of the ited Kingdom market; the ancial effects of last year's tional engineering dispute; d the continuing high cost of ergy, which was affecting les of BL's bigger cars.

BL still expects to achieve the ts in its work force through tural wastage and voluntary dundancy, although the covery plan does not rule out mpulsory redundancy if necesy.

BL, which last night was still trying to arrange an urgent meeting with union general secretaries in an attempt to solve the separate, though related, issue of the deadlock over pay, will detail the new redundancy plans to local officials and shop stewards during the next fortnight.

The layoffs affecting 15,000 employees and the short-time working by 7,000 workers are expected to end with a return to normal working at the end of this month, but union leaders expect that some of those involved will leave permanently in a matter of months after they return.

Pay negotiations have broken down after the rejection by a majority of three to two in a ballot of the labour force of a basic 5 per cent offer together with up to £15 extra for widespread changes in working practices which the unions are resisting.

BL made it clear last night that it was fully committed to its new programme. Mr Horrocks did not attempt to reopen pay negotiations when he met the confederation, but he warned the unions that the deadlock was affecting business confidence.

BL's market share of 16.75 per cent last month was an improvement on January's all-time low of 15 per cent. It now hopes for a figure of 20 per cent this month.

Thatcher pledge to stay in the EEC

By Michael Hatfield
Political Reporter

French television viewers last night heard Mrs Margaret Thatcher assert that the British Government has no intention of leaving the European Community or adopting a de Gaulle-like "empty chair" posture in the present dispute over Britain's contributions to the EEC budget.

It was the first interview that the Prime Minister has given on French television since she came to power and forms part of an orchestrated ministerial campaign in Europe to get across the British viewpoint in preparation for the crucial EEC summit in Brussels at the end of the month. A long interview with the Prime Minister is to appear in *Die Welt*, the German newspaper, next week.

Throughout the interview Mrs Thatcher resisted suggestions that it was the British who were making difficulties inside the Community. She also said firmly that Britain would not be prepared to be just an associate member.

The Prime Minister, asked whether Britain was threatening to leave the EEC, replied: "There is no possibility of Britain leaving the Community. The Community is part of the free world and the free world must live together in the most effective alliance we can possibly have, as the Soviet world lives together, bound by hoops of steel.

"How could you have an effective Community without one of the major European countries not being in it?" she asked. "It would be very damaging to the Community and to each and every country within it; and the only people who would rejoice if Britain left would be our potential enemies, so there is no question of that at all."

When asked what would happen if there was no compromise to resolve Britain's demand that it should be in balance over the budget contributions, the Prime Minister said that sooner or later there would have to be a compromise. The position was totally and utterly unfair.

"France contributes to the Community budget 702 million new French francs, we 9,000 million (francs)" she said. "That is totally unfair and surely France also wishes to redress the balance with us."

It was at this point that the Prime Minister indicated that Britain would be prepared to delay progress in the development of the Community if her partners did not see the justice in Britain's argument.

"What would I do?" she asked. "We have throughout every single subject, whether it be fish, whether it be sheep meat, continued to negotiate. But really, you know, Britain, too, must have some justice and I am afraid that unless we get justice fairly soon, then it will be difficult to make progress with other fields, because we think we should make progress with things that affect us too".

Ruling out associate membership as a possibility, Mrs Thatcher brushed aside the empty-chair policy of General de Gaulle as a negotiating tactic.

"No, I do not think you can adopt anyone else's stayle", she said. "General de Gaulle even though he left an empty chair was very obviously in it even

Continued on page 2, col 5

Photograph by Harry Kerr

A replica of Stephenson's Rocket steaming into St Pancras station yesterday to mark the Post Office's issue of five train stamps that commemorate the world's first train to carry mail and passengers in 1830.

Mr Nkomo and two whites get posts in Mugabe Cabinet

From Nicholas Ashford
Salisbury, March 10

Mr Joshua Nkomo, leader of the Patriotic Front which won 20 seats in the general election, is to be Minister of Home Affairs in the new Zimbabwean Government, it was announced tonight.

Mr Eddison Zvogbo, spokesman for the majority Zanu (PF) Party, also said that Mr Mugabe, the Prime Minister-designate, had offered cabinet posts to two "Zimbabweans of high standing in the European community".

He declined to say who they were but it was learnt tonight that Mr David Smith, former Minister of Finance, would be taking over the Commerce and Industry portfolio. The Ministry of Mines will be given to a white technocrat.

Mr Mugabe was putting the finishing touches today to his new Cabinet which, according to one source, would include "at least six surprises". The composition of the new Government is expected to be announced tomorrow afternoon.

Mr Mugabe, who had a one and a half hour meeting with Lord Soames, the Governor, this afternoon is due to pay another visit to Government House tomorrow morning to present his complete Cabinet list.

Once that has been done the timetable for a final transfer of power by Britain can be finalized. It is expected that independence will take place before Easter.

The formation of what Mr Mugabe has referred to as a broad based Government has not proved an easy task. The Prime Minister-designate has had to strike a balance between a number of conflicting pressures coming from members of his own party's central committee, the Patriotic Front and the white community.

Mr Nkomo, who rejected an offer of the presidency, has been determined to gain the maximum amount of representation for his own party in the new Government.

His own portfolio, which includes control of the British South Africa Police (BSAP) as well as the whole network of district commissioners and district assistants, will be one of the most influential in the new Government.

The Patriotic Front is expected to be offered four other portfolios. They are Roads, Public Works, Posts and Telecommunications and Natural Resources, excluding mines.

This morning, Mr Mugabe and Mr Nkomo held a meeting of the co-ordinating committee of the former Patriotic Front guerrilla alliance. It was the first meeting the co-ordinating committee had held since before the start of the Lancaster House conference last year.

Troops pull out: A sizable number of South African troops have been withdrawn from Rhodesia during the past 48 hours.

At least 600 combat troops are understood to have been involved in the withdrawal. However the figure could be considerably higher, perhaps more than 1,000 if logistical and support staff are taken into account.

Most of the troops were based in the south-eastern "repulse" operational area. They are said to have included the equivalent of an infantry battalion as well as two "fire force" groups, which are units developed by the Rhodesians to search out and destroy guerrilla bands operating in remote parts of the bush.

A "fire force" unit has between four and six helicopters and 50 to 100 men. It sometimes includes trucks and armoured vehicles as well as paratroops in a Dakota.

The status of the departing South African forces is not clear. It is possible they came under senior Rhodesian command and could technically be described as part of the Rhodesian Security Forces. However, sources said there was no doubt that they operated mainly as South African units.

The last British troops were today withdrawn from the 11 guerrilla assembly points

Mr Sirs more hopeful of steel peace

Paul Routledge
bour Editor

The British Steel Corporation pealed last night to union iders to call off their 10-ek-old national strike after eir members had voted for a llot on the industry's "final" ge offer.

Talks on the unions' new nt claim will be resumed this orning, but the parting shot Mr Robert Scholey, the corration's chief executive, after e hours of talks yesterday, s: "Sleep on the result of ballot—and call off the ike if you can".

Discussions will resume this orning at British Steel offices er management have further mined the package put ford by all the unions in the dustry.

Mr William Sirs, general secretary of the Iron and Steel Trades Confederation, said there was only "a vague possibility" that the union side would consider calling off the strike before they had an improved pay offer.

He said he was "a bit surprised" at the more constructive and helpful attitude of British Steel. BSC was looking to find an agreement on the basis of the union document. "We must be more hopeful that that has emerged."

Pickets in fight: Extra police were called out to part fighting steelworkers when pickets invaded a meeting held at Corby, Northamptonshire, yesterday, to discuss a return to work (Our Corby Correspondent writes).

Imports threat to jobs, page 2

Ayatollah dashes hopes of hostages' release

From Tony Allaway
Tehran, March 10

Ayatollah Khomeini, Iran's revolutionary leader today ended all hopes of a quick release of the 49 American hostages held by militant students. The Ayatollah, who is recuperating from a heart ailment, also rejected a planned meeting of the United Nations commission with all the hostages without the commission first fulfilling an almost impossible demand.

In a statement broadcast by the state radio, Ayatollah Khomeini said that for the time being the five-man commission would only be allowed to meet those hostages Iran considers to be implicated in American spying in Iran, and that only for the purposes of interrogation.

The commission could meet all the hostages, the ayatolloh said, after it had "expressed its view about the crimes of the deposed Shah and interference of the aggressor United States".

Although the commission might be able to issue some sort of report on the Shah, the rider on the United States appeared to place the commission in an almost impossible position.

Tonight, the commission, which had already reluctantly postponed its planned departure from Tehran last week, met Mr Sadeq Qotbzadeh, the Foreign Minister, to explore possibilities of rescuing the commission from failure. Mr Qotbzadeh said he would try to persuade the commission to stay on in Tehran for another two days.

But the Ayatollah's surprise statement, made after a meeting with members of the ruling Revolutionary Council, left both the Iranian Goverment and United Nations commission with hardly any room for manoeuvre.

The students holding the Americans inside the United States Embassy appeared to be elated by Ayatollah Khomeini's statement and declared that it had finally released them from their promise, made last Thursday, to hand the hostages over to the Revolutionary Council.

That promise was followed by an acrimonious public row between the students and the Revolutionary Council, in particular Mr Qotbzadeh, whom the students called a "liar". The conflicting statements of the two sides could only have been broken by the Ayatollah, the one man the students are prepared to obey.

Their devotion was rewarded in the Ayatollah's statement, which referred to them as "Muslim and military students".

Although the Ayatollah called on Iranians to give unstinting suport to President Abolhassan Bani-Sadr and the Revolutionary Council, the burden of his message could be interpreted as doing exactly the opposite.

The statement reiterated almost exactly the conditions set by the students last week before their dramatic shift of position last Thursday

President Banni-Sadr was a noticeable absentee from today's Revolutionary Council meeting with the Ayatollah. Only on Saturday Mr Banni-Sadr had spoken in harsh terms about the students' refusal to allow the United Nations commission to visit the hostages

In an article in the newspaper Islamic Revolution President Banni?Sadr said he would rally the people to his support if the students stuck to their uncompromising position. By tonight, the only official reaction to the Ayatollah's statement came from Mr Qotbzadeh, who said tersely that it reresented "a positive development".

He warned Iranians to be aware that "you have long years of struggle ahead" in the fight against" the aggressive East and criminal West".

The Ayatollah added: "We shall fight against the United States government until the end of our life and we shall not stop until we . . . cut their hands from the region."

Washington rebuff: The United States today rejected the principal conditions set down by Ayatollah Khomeini for the United Nations inquiry panel's meeting with all the American hostages in Tehran.

Mr Hodding Carter, the State Department spokesman, said today tha tany interrogation of the hostages would remain "totally unacceptable" to Washington.—Agence France-Presse.

Third British soldier shot in Germany

Osnabrück, March 10.—Gunmen shot and wounded a young British soldier here today in what could be the third Irish Republican Army attack on Rhine Army soldiers in recent weeks.

The soldier, whose name was withheld, was jogging along a road behind barracks when five shots were fired at him. He was taken to hospital, but was not seriously wounded.

British military police are cooperating with West German police investigating the crime.

The provisional wing of the Irish Republican Army has claimed responsibility for two similar attacks in the past four weeks and had promised to carry out more.

Colonel Mark Coe died last month after being shot outside his Bielefeld home and a fortnight later two attackers shot and wounded a British military police driver, Corporal Stewart Leach, in Munster.—Reuter and PA.

London Transport makes record loss

y rises of 14 per cent for London Transport staff t year were the main cause of a record £15.7m s, according to the executive's report issued sterday to the Greater London Council. Bad ather, a shortage of drivers and worse traffic ngestion also contributed to the loss. Mr Ralph nnett, London Transport chairman, said the results re disappointing but that reorganization of erations under semi-independent district managers d contributed towards a continuing improvement. mmunications between management and staff and tween management and passengers had got better d the number of complaints had fallen. Future vels of investment are the big worry facing the nsport executive, as about £12m is being cut from is year's planned investment Page 6

Clegg award to NHS staff 'a disaster'

ay increases of 16.7 per cent for basic ades, 17.3 per cent for helpers and 10.3 er cent for senior grades of ancillary aff in the National Health Service have een recommended by the Clegg comparility commission. One union called the ward "an unmitigated disaster", claiming at it meant a salary decrease for the p three grades Page 3

Petrol short measure

ritain's petrol stations can legally deliver ightly short measure under an EEC gulation recently introduced to allow for rors. Pumps will no longer be biased in stomers' favour and large garages can enefit by many thousands of pounds a ear Page 5

BBC to pay damages

he BBC must pay damages to eight riters for using material from scripts by em in a book, *Explorers*, without extra ayment and without consent. The corporation agreed in the High Court to the hancery Master assessing the damages Page 5

Victory for Basques

oters in Spain's Basque provinces gave e three nationalist parties an overwhelmg majority in the region's first home-rule arliament. The election was a severe efeat for the country's ruling party, the nion of Democratic Centre Page 6

Foregone conclusion in today's primaries

The presidential primaries today in Florida, Georgia and Alabama seem so certain to bring handsome victories to President Carter and Mr Ronald Reagan that the candidates have hardly put in an appearance. The only question is how much Mr George Bush can gain at Mr Reagan's expense in Florida. In a national poll 36 per cent of Republicans questioned said they preferred ex-President Gerald Ford against 32 per cent for Mr Reagan Page 7

February price rise of 2 pc for industry

Prices paid by industry for fuel and raw materials rose by 2 per cent during February, bringing the annual rate of increase over the past six months to 36 per cent. Factory gate prices went up by 1½ per cent, pointing to annual wholesale price rises of 17½ per cent Page 15

Anti-dumping talks

Viscount Etienne Davignon, European Commissioner for Industry, begins talks in Washington today aimed at averting anti-dumping action against Community steel exports to the United States. Such action could cause hard-pressed steel makers in the Nine loss of sales of up to $1,000m (£460m) Page 15

Lebanon: Major-General Erskine, United Nations commander, calls on world to intensify pressure on Israel to abandon military support for Christian militias 6

Legal tangle: Fall from power of former President Idi Amin of Uganda has resulted in French ship being held in a Libyan port while damages are sought from South Africa 8

Arab Banking and Finance: A 10-page Special Report on the role of the banks and other financial institutions in the recycling of Arab oil surpluses

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Features, page 8, 12
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Arts, page 9
John Russell Taylor reviews the major retrospective of Ruskin Spear at the Royal Academy, and other exhibitions in London; Kenneth Loveland on Johanne Meier's debut in the Welsh National *Tristan und Isolde*; John Percival on *La Sylphide* at the Coliseum

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Olympic Games: Sports Council support Moscow boycott; Football: FA Cup semi-final draw; Rugby Union: John Player Cup draw
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Business News, pages 15-21
Stock Markets: Oils continued to retreat providing for dull conditions among equities. Gilts held firm and the FT Index fell 3.4 to 452.3
Financial Editor: Judging the dollar's turn; Rolls-Royce Motors holding the dividend
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'More forgeries due to easier divorce laws'

By Craig Seton

The easier divorce laws are leading to an increase in forgery by the parties involved, counsel said in the Family Division of the High Court yesterday. A decree nisi obtained by a woman more than two years ago, was set aside because she had forged her husband's signature.

Mr Bernard Hargrove, counsel for the Queen's Procter, who investigates irregularities in matrimonial cases, told Mrs Justice Heilbron that he had seen five such forgeries in the past three months, but that there had been no prosecutions.

Mr Hargrove said Mrs Patricia Serra had obtained a decree nisi in November, 1977, through the "Quick" special procedure under which neither party need attend court. She had managed to obtain from her solicitors documents for her husband and had forged his signature on a receipt and had falsely swore that it was his.

Mrs Serra's own solicitors found out about the forgery and informed the Queen's Proctor. The decree nisi was set aside and an order for costs was made against Mrs Serra.

After the hearing Mr Hargrove said: "The more administrative approach to granting a divorce has probably encouraged an increase in the number of cases of forgery."

Another counsel said yesterday that the "quick" divorce procedure had altered the whole basis of divorce from being a judicial matter to an administrative one. He added: "It is not far removed from making an entry in a building society book or something like that."

The law had been made easier by the Divorce Reform Act of 1969 and the special procedure system. Forgery could be used by either party, depending on which one wanted the divorce the quickest.

He continued: "It is a defect of the new system. There is now no legal aid for it and no trial, merely an administrative official looking at documents and then just a declaration in open court without any cross-examination."

He described the volume of divorces as huge and said they had more than doubled since 1969. At the same time, the Queen's Proctor's department had a much smaller staff and surveillance of irregularities was, therefore, more difficult. It was probable that many cases of forgery slipped through the net as the number of divorce cases decided "on the nod" increased.

Those who used forgery in divorce cases were open to prosecution on two counts; first, the forgery itself and, because affidavits were sworn identifying signatures, for perjury. The police have a discretion over possible prosecution and, apparently, are more likely to give a caution.

Tito doctors find no new decline

Belgrade, March 10.—President Tito's eight physicians today said only that, "during the past day there have been no signs of deterioration of the general state of health of President Tito"

Plans for the May 25 annual celebration to mark the Yugoslav leader's birthday are in full swing, however.—AP and UPI.

Royal duke's baby named

The Duke and Duchess of Gloucester announced yesterday that their third child, born a week ago, would be called Rose Victoria Birgitte Louise, and would be known as Lady Rose Windsor.

The baby, 12th in line for the throne, left St Mary's Hospital, Paddington, with her mother on Saturday. The Duke and Duchess have two other children,

HOME NEWS

District councils oppose powers of police chiefs to veto processions in evidence to MPs

By Peter Evans
Home Affairs Correspondent

Police chiefs should not have the sole discretion to ban public marches, the Association of District Councils told MPs yesterday.

In its evidence to the Select Committee on Home Affairs, the association said administrative discretion must lie with a democratically elected body or with someone such as the Home Secretary who was accountable to Parliament.

The various controls needed to be reviewed in the light of "the modern, more authoritative role of chief constables".

Where there was disagreement between a chief constable and a district council over whether a march should be banned, the Home Secretary should arbitrate. The association would be against the chief constable initiating an application to the Home Secretary in his own right.

The association would also rule out the discretion to ban by the police authority, on the grounds that it would lack detachment and might be unlikely to go against the professional judgment of the chief constable, its employee.

But the Greater London Council told MPs that in the capital the power to ban processions should be left to the police and the Home Secretary and that the council should not be involved in such decisions.

The Association of Metropolitan Authorities said: "It is essential for elected members to be involved; and district councils should certainly continue to exercise the order-making powers contained in section three of the Public Order Act, 1936."

The Association of County Councils thought that chief police officers would be anxious to retain their function of initiating action to seek a ban on an event on public order grounds.

"The association would accept this, since those officers are in a position to make the initial direct assessment of the likely impact on public order and police resources."

But the county councils thought that provincial police chiefs might be attracted to the idea that, like their metropolitan colleagues, they should have direct recourse to the Home Secretary for a ban.

"The association does not favour this. There is not a clear, logical basis for regarding the Home Secretary as specially impartial. He is a politician, just as are the elected members of district councils who are involved at present."

Instead, the association suggested the police authority was the most suitable arbiter of whether a ban should be imposed.

The district councils criticized the dramatizing by the media, especially broadcasters, of isolated violent incidents on otherwise peaceful occasions.

The GLC said organizers of meetings should be required to take out adequate insurance against possible damage.

Appeal to ban Front march in city

By Frances Gibb

Mr George Younger, Secretary of State for Scotland, is being asked to ban several marches through Glasgow on Saturday, including one by the National Front against the IRA, because of a feared threat to public safety.

The Labour-controlled Strathclyde Regional Council agreed at an emergency meeting to ask Mr Younger to invoke statutory powers to stop the marches under the Public Order Act, 1936, after a request by Mr Patrick Hamill, Chief Constable of Strathclyde. The ban would last a month.

The National Front in Scotland has said that if the ban is approved it will call off its march but demonstrate somewhere else.

Other marches which would be affected by the Secretary of State's order, which would apply to all public processions other than those of a religious, educational or ceremonial nature, would be a counter-demonstration by the Anti-Nazi League and marches by the Glasgow district trades council, the Socialist Workers' Party and others.

Another factor influencing the police is thought to be the likelihood of up to 1,000 boxing supporters roaming loose after the title fight between Charlie Nash of Ulster and Jim Watt of Glasgow. There are also likely to be thousands of Glasgow Rangers supporters in the streets before the home match.

Mr Hamill said: "I think we could be certain several thousands would be taking part in the National Front procession and it is clear there would be many others not only prepared to counter-demonstrate but perhaps with a view in mind physically to obstruct the free passage of the National Front's procession.

"It is mindful of that, and my role in connexion with the Public Order Act and my duty to prevent public disorder that I made the recommendation."

Mr Younger is expected to announce his decision on the ban either today or tomorrow.

A move to stop the National Front using Conway Hall, in Red Lion Square, London, for meetings is to be made at the annual general meeting in May of the 650-member South Place Ethical Society, which owns the premises.

It comes after the defeat of a motion by some members put before the society's general committee last week. The motion, supported by nearly 60 signatures, argued that letting the hall to the Front contravened standing orders.

Those orders state the accommodation shall not be let to any person or body for purposes contrary to the aims and objects of the society, or to any person or body persisting in conduct detrimental to the society.

One of the signatories, Lord Brockway, said: "I have always taken the view that the South Place Ethical Society was a humanist church and therefore its premises should be used only for ethical purposes. The National Front is a denial of our humanist convictions and we should not therefore give facilities to it."

The motion, defeated by eight votes to five, came about after Camden Borough Council refused to make a grant to the society, running at an annual deficit of £5,000, while it was letting Conway Hall to the National Front.

Councillors argued that such a grant would contravene the council's policy, which does not allow grant-aided premises to be let to the National Front.

Hospitals' pay dispute holds up operations

From Our Correspondent
Glasgow

All "acute" receiving hospitals and maternity hospitals in Glasgow faced an operating theatre crisis from 5 pm last night, with doctors and administrators having to decide which patients deserved priority for surgery. Patients requiring "non-urgent" operations were being asked to wait a little longer in order that "life-or-death" cases could be treated.

The situation had arisen because more than 200 laboratory technicians refused to carry out blood cross-matching and grouping in the evenings and overnight.

The Greater Glasgow Health Board had entered into an arrangement with the technicians to pay them an average of £3.50 an hour for voluntary night duty, but Mr George Younger, the Secretary of State for Scotland, said £3.50 was too much, and the board should offer no more than £2.70 an hour.

The Association of Scientific, Technical and Managerial Staffs (ASTMS) the trade union to which the technicians belong, claim that their members would therefore be paid less for night-work than they earn during the day.

The health board said last night that they had left it to the consultant haematologists to decide how best to operate their resources throughout the evening and night.

Blood specimen from some hospitals would be referred either to the Western Infirmary or the Royal Infirmary. It would be for the consultants to provide the service and decide priorities. That means that heart and abdominal operations which may need post-operative blood transfusions cannot be carried out in the afternoons.

A spokesman for the Home and Health Departments in Edinburgh said they had received letters from the greater Glasgow board pointing out the gravity of the situation. Nothing else, however, had changed, apart from the technicians refusal to carry out blood tests after 5 pm.

TriStar delivered

The first of a £200m fleet of eight new fuel-efficient Lockheed TriStar jetliners was delivered yesterday to British Airways at Heathrow airport, London.

Land prices up 43pc

Prices paid for private housing land in England and Wales rose by about 43 per cent during 1979, according to Department of Environment figures,

Two Scientology officials to be extradited

By Nicholas Timmins

Two officials of the Church of Scientology are to be extradited to the United States, the Home Office announced yesterday.

Mrs Jane Kember, a British citizen, and Mr Morrison Budlong, an American, are wanted to face charges of burglary after the theft of documents from United States government offices in Washington four years ago. Arrangements for their removal to the United States, probably on Thursday, are being made.

They are to be charged with thefts of photocopying paper containing information about the church.

The pair were committed for surrender at Bow Street magistrates' court in May, 1979, but applied for a writ of habeus corpus. Leave to appeal to the House of Lords for such an order was refused on February 7 last.

A spokesman for the Church of Scientology said yesterday that it believed the United States Government's motives for the extradition request were political.

The church said that the European Commission of Human Rights in Strasburg is to hear a plea tomorrow that the extradition would violate sections of the European Convention on Human Rights, but the Home Office said it was not aware of a hearing taking place.

Juveniles incited to break law by playing truant, Home Secretary is told

Ban pupils' union from schools, MP urges

By Ian Bradley

A Conservative MP is to ask Mr William Whitelaw, the Home Secretary, in the House of Commons today if there is a case for bringing prosecutions against members of the National Union of School Students.

Mr John Carlisle, MP for Luton, West, said yesterday: "I am concerned that this union is inciting juveniles to break the law by playing truant from school. I would like to see it banned from all schools and strongly condemned by the TUC, the Labour Party and all educational authorities."

Mr Carlisle's intervention came after a week of protest marches and strikes, in various parts of Britain by members of the union against the Government's cuts in education spending, and a weekend conference at the Polytechnic of Central London at which about 100 children were given lessons in revolution and how to disrupt their schools.

Photograph by David Jones

National Union of School Students members marching through London last week.

The polytechnic said yesterday that it was reviewing its procedures for hiring out rooms for conferences as a result of the conference organized by Red Rebel, the youth movement of the Socialist Workers' Party.

The Red Rebel conference was abandoned when the polytechnic was closed on Saturday evening after a fracas involving rival groups of Iranian students at another gathering in the building.

The polytechnic said: "The bookings for both the conferences were made in the name of the students' union. If we had known that one of the conferences was being organized by Red Rebel we would certainly not have given permission for it to take place".

Mr Daniel Ashton, aged 17, the full-time organizer of the school students union, said that children returning for the Sunday morning session of the Red Rebel conference had found the polytechnic locked. "It did not matter too much because, apart from a speaker on sexism, all we were going to do was join the TUC march against the Government", Mr Ashton said.

About 100 members of the union took part in the TUC demonstration.

The union, which claims to have 10,000 members in secondary schools, was formed in 1972 to oppose uniforms, corporal punishment and other forms of discipline in schools. It is not recognized by the National Union of Teachers and has been banned from many schools.

Its magazine, Blot, frequently has been the subject of complaints by teachers and members of local education authorities over what they see as the obscenity and subversiveness of its contents.

Two years ago the Labour Party became concerned that its youth organization, the Young Socialists, was recruiting pupils to the union. A report presented to the party's national executive said that the union was urging children to disrupt school life.

Until the end of last year the union had an office in the headquarters of the National Union of Students. Now it has free accommodation in the students' union of the Polytechnic of North London. There are three full-time officials, Mr Ashton, Mr Hardy Desai, aged 16, and Miss Erica Loredo, aged 18. All are associated with the Socialist Workers' Party.

Mr Ashton said that more than 100 of the union's 400 branches were controlled by Red Rebel. The union was financed by members' subscriptions, money from the National Union of Students and donations from sympathetic teachers, which amounted to £100 a month.

Although its week of action attracted considerably less support than expected—a march through London on Wednesday drew only 70 pupils, against 1,000 predicted—the union is planning further action, including a picket of the National Union of Teachers' conference next month.

There is likely to be a brief respite in its activities, however. Mr Ashton said: "Obviously things die down around this time of year because of exams."

Labour attacks 'bingo Bill' for NHS funding

By John Groser

The Opposition will today launch its attack on clause 4 of the Health Services Bill, now in committee in the Commons.

The clause would have the effect of permitting local health authorities to raise money through lotteries, bingo evenings and dinner dances.

The opposition spokesman on health, Mr Rowland Moyle, who will lead the attack in committee, said last night that Labour had no objection to hospital leagues of friends raising money in that way, for they are private bodies.

"To encourage public bodies to depend on these methods for their funds, however, is a move from the welfare state towards the bingo state", he said.

While the Opposition intends to fight to the bitter end to have the clause deleted, Mr Moyle and his colleagues realize that the Government's majority may enable it to carry the clause.

Accordingly, Labour MPs have tabled amendments in an attempt "to control the wildest excesses of the Bill".

It was anomalous, Mr Moyle said yesterday, that on the one hand the Government should take the view that smoking can damage your health and on the other offer tobacco products as prizes in raffles.

Moderation was urged by hospitals in the use of alcohol and yet hospital management committees would be offering alcohol as spot prizes at dances and in tombolas.

Mr Moyle thought that the clause would enable a large group of public bodies to raise money for the funding of the National Health Service by "devious means".

Under the 1977 Act, health authorities have no power to engage in activities intended to stimulate the giving of money or other property to assist the authority in the provision of its services. Clause 4 would change that.

MPs in quest of fresh job openings in Wales

From Tim Jones
Cardiff

Wales experienced its first insight into parliamentary procedure yesterday when the Committee on Welsh Affairs, appointed to examine the workings of the Welsh Office, held its first public session in Cardiff.

The 11 MPs, led by Mr Leo Abse, sat in the mock-Gothic banqueting hall of Cardiff Castle beneath a wrought iron chandelier and a host of carved wooden angels. Occasionally the shrill cry of peacocks from the lawns outside interrupted their deliberations on how job opportunities could be provided in the principality.

Sir Hywel Evans, Permanent Secretary at the Welsh Office, headed a team containing three other senior civil servants exposed to the unfamiliar experience of public accountability for their policies.

Sir Hywel said they realized that Wales faced a crisis, but indicated that precise answers were not always possible because of factors sometimes beyond their control.

At one stage a slightly exasperated member asked whether the civil servants could give him a "knitty-gritty straight answer". And Mr Keith Best, the Conservative member for Anglesey, committed a slight indiscretion when he asked whether Mr Nicholas Edwards, Secretary of State for Wales, was a Cabinet poodle.

Sir Hywell said he could not answer for the minister bu he considered himself to be a Welsh corgi who could fight his corner.

One firm factor that emerged was the disclosure that some Welsh Office strategists believe Welsh unemployment could rise by 33,000 to 125,000 as a result of the steel industry. Sir Hywell said that was a pessimistic forecast.

Imports pose big threat to canning industry jobs

By Peter Hill
Industrial Editor

Permanent job losses in Britain's canning industry and among workers in British Steel's tinplate group have become a real threat as imports of tinplate and canned foods are being shipped into Britain to make good shortages caused by the steel strike.

Metal Box and other can producers and food canners have been among the worst affected by the strike, which enters its eleventh week tonight, and layoffs have increased in the past few weeks. But there is now evidence, industry sources say, that canned food is being shipped in greater quantities than is usual,

Threats to employment in some steel-using industries have been a big feature in industry's worries about the long-term effects of the strike, but British Steel's negotiators will reopen their adjourned negotiations with union leaders today in the knowledge that industry is still maintaing production at reasonably high levels

Latest soundings taken by the CBI amon ga representative cross-section of manufacturing and construction industry companies show that at the end of last week production rose slightly from about 95 per cent to nearly 96 per cent of what it would have been but for the steel strike.

Industry's stock position has not changed substantially. Most companies estimate that supplies are sufficient to maintain production for at least another three to four weeks

Labour lead jumps 5%

Labour's lead over the Conservatives stands at 8 per cent, according to a nationwide opinion poll published yesterday. At the same time 70 per cent of those who were interviewed supported the belief that the economic conditions of the country would get worse

The poll, conducted by Market and Opinion Research International, appeared in the London Evening Standard. The jump in Labour's lead, an increase of 5 per cent on a poll conducted in January, comes just before the Southend, East, by-election, where polling takes place on Thursday.

While Conservatives are not happy at the increase in their margin of unpopularity, it is felt it comes within the "comfort zone" as far as the by-election is concerned.

Nor is there any real fear about the size of electorate believing that matters will get worse, the argument being that the Government is getting across the message about economic difficulties.

SDLP feels Ulster conference should end

From Christopher Thomas
Belfast

A strong body of op[inion] within Northern Ireland's Roman Catholic party be[lieves] the Ulster constitutional [confer]ence has exhausted its u[seful]ness and should be wound [up] soon as possible.

Senior members of the S[ocial] Democratic and Labour [Party] which alone repre[sents] minority opinion at the [talks] are privately expressing [the] view that after the end of [this] month the conference [should] end.

That view has apparently [been] put to Mr Humphrey A[tkins] Secretary of State for Nor[thern] Ireland, who has chaired [the] conference since it began [in] January.

Publicly he is still e[mpha]sizing the value of the c[onfer]ence but there seems [little] doubt that he does not w[ant it] to labour on in its present [form] for many more weeks.

Three more meetings [are] scheduled, the last on [March] 31. The options after th[at in]clude winding up the dis[cussions] completely or adjourning [them] pending further and wide[r dis]cussions.

At some stage the O[fficial] Unionists, who are boyc[otting] the talks, will have t[o be] brought in.

The Government has al[ready] ruled out the possibility [of a] Green Paper to pave th[e way] for a Bill to enter the Co[mmons] before the Christmas rec[ess].

The SDLP delegation [to the] Stormont talks is bitterl[y dis]enchanted by the hardlin[e atti]tude of the Rev Ian P[aisley] leader of the Demo[cratic] Unionists, who alone ha[ve car]ried the "loyalist" ban[ner at] the conference because [of the] Official Unionists' boycot[t].

Despite an obvious pe[rsonal] rapport with Mr John [Hume,] the SDLP leader, which [has] been built up in joint de[bates] in the European Parli[ament,] Mr Paisley has found it [politic]ally necessary in recent [weeks] to launch a serious rej[ection] of Roman Catholic aspi[rations] over power sharing.

The SDLP now places g[reat] importance on direct an[d sep]arate talks which its repr[esenta]tives are conducting wi[th Mr] Atkins over issues relev[ant to] cross-border cooperation [such] as the EEC, security, a[nd the] economy.

Those talks, rather th[an the] main conference, are givi[ng the] SDLP full scope for putti[ng for]ward a wide range of vi[ews.] the British Government [...] value of the main conf[erence] to the SDLP has therefo[re all] but disappeared.

The latest in the SDLP [con]tinuing sessions of "pa[rallel"] talks was held at Sto[rmont] Castle yesterday, whe[n the] party presented economic [papers] to Mr Atkins. Some part[y offi]cials feel that another t[wo or] three meetings might be e[nough] to give the Government a [full] and total idea on the es[sential] planks of SDLP policies.

The Alliance Party, t[oo, is] being treated to separate [talks] on matters it sees as imp[ortant] but which for tactical r[easons] the Government has ke[pt out] of the main conference.

The SDLP is mooting a [poli]tical structure that, acc[ording] to some unofficial calcul[ations,] might give it about 25 se[ats in] an elected assembly of p[erhaps] 80 or 85 places under a [pro]portional representation s[ystem] of election.

The crucial issue, howe[ver, is] its insistence on being p[ropor]tionately represented i[n an] executive or Cabinet [of a] devolved administration.

But Mr Paisley has rule[d out] a power-sharing exec[utive].

Some building workers ready to strike over pay

By Our Labour Staff

Transport and General Workers' Union building workers are ready to take industrial action unless employers improve substantially their 14 per cent pay offer, Mr George Henderson, the union's secretary for construction, said yesterday.

Union officials are indicating after consultations with regional officers that their members might be prepared to stage one-day strikes in support of a pay clai maiming at a new minimum rate of £3 an hour.

The present offer would increase minimum rates for a 40-hour week for craftsmen from £67 to £76.40 and that of labourers from £57.p0 to £65.20.

Mr Henderson said yesterday: "We want a negotiated settlement, but if the employers are not prepared to reach one we will have to do something about it. We are prepared to fight. "He claimed that employers were divided over the union's claim for full consolidation of all supplements.

The National Federation of Building Trades Employers is resisting the claim for consolidation into basic rates of a guaranteed minimum bonus, now at £7 a week for craftsmen.

Meanwhile, the TUC has written to Mr Michael Heseltine, Secretary of State for the Environment, protesting about government plans to abolish the Construction Industry Manpower Board.

Building unions say that the move, together with proposed amendments to the current tax deduction scheme for the industry, would lead to a widespread increase in "lump" labour, or one-man subcontractors operating without normal national insurance and tax deductions.

Cruft's judge is facing charge of corruption

A judge of Cruft's dog show was remanded on bail until April 15 by magistrates at Bishop Auckland, county Durham, yesterday, charged with corruption.

William Foster, aged 66, of Heather Cottage, Sedling, Wearhead, near Bishop Auckland, was charged with corruptly agreeing to accept £100 to show favour.

The charge alleged that Mr Foster, being an agent of the committee of the Ripon Canine Open Show on May 1, 1978, corruptly agreed to accept for himself from David Stevens £100 as an inducement or reward to show favour to Mr Stevens.

Mrs Thatcher pledges to stay in EEC

Continued from page 1

though he was not there, because he had a fantastic personality."

The Prime Minister suggested instead that British ministers would sit tight in their chairs at all meetings "fighting our corner because we must have justice.

"We are entitled, as any other partner, to justice", she said firmly. "Yes, we shall stay in the chair. We shall go on fighting our corner in each and every aspect that comes up in the Community. We must in fact have redress during the financial year 1980-81 and it must in fact continue for the successive years because the imbalance gets even worse."

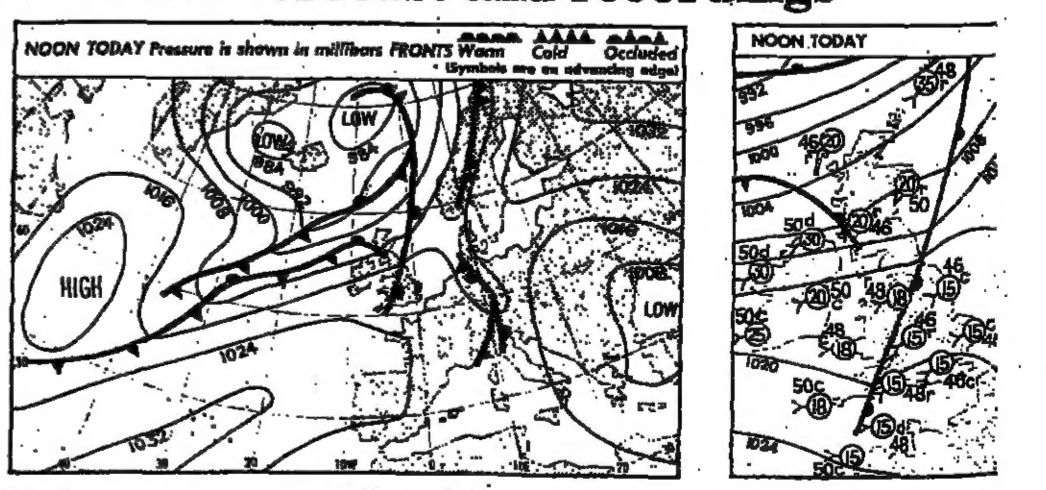
Several times Mrs Thatcher seized the opportunity to get across the message that Britain was not attempting to extract more from the Community than she was putting in. "We are not asking to take a penny piece out of the Community", she said. "Not at all. We are saying that Britain will cover every single thing that the Community spends in Britain and that we will of course make a modest contribution on top of that."

Britain was the biggest net contributor this year, though our income was below average.

She rejected the suggestion that all Britain's partners could turn against her. Already some other countries were saying that there was an inequity and that it was a fundamental one,

Weather forecast and recordings

NOON TODAY Pressure is shown in millibars FRONTS Warm Cold Occluded (Symbols are on advancing edge)



b—blue sky; bc—half clouded; c—cloudy; o—overcast; f—fog; d—drizzle; h—hail; m—mist; r—rain; s—snow; th—thunderstorm; p—showers. periodical rain with snow.

Today

Sun rises: 6.24 am
Sun sets: 5.59 pm
Moon rises: 2.47 am
Moon sets: 11.38 am
New Moon: March 16.

Lighting up: 6.29 pm to 5.51 am.

High Water: London Bridge, 7.42 am, 5.7m; 8.18 pm, 5.8m; Avonmouth, 12.26 am, 9.7m; 1.7 pm, 9.7m; Dover, 5.2 am, 5.2m; 5.54 pm, 5.1m; Hull, 12.36 pm, 5.6m; Liverpool 5.28 am, 7.3m; 6.6 pm, 7.3m.
1ft = 0.3048m 1m = 3.2808ft

Troughs of low pressure will move E across most areas.

Forecast for 6 am to midnight:

London, East Anglia, E Midlands, SE, E England: Dry at first, a little light rain in afternoon and evening; wind W, moderate, backing SW; max temp 9° to 11°C (48° to 52°F).

W Midlands, Borders, central N, central S and NE England, Channel Islands: Cloud soon thickening to give a little rain, some bright intervals but hill fog; wind SW, moderate to fresh; max temp 9° to 11°C (48° to 52°F).

SW, NW England, Wales: Mostly cloudy, occasional rain or drizzle, hill fog and patchy coastal fog, wind SW, fresh to strong; max temp 10° to 12°C (50° to 54°F).

Isle of Man, Orkney, Shetland, Lake District, Glasgow, Central Highlands, Moray Firth, NE, SW Scotland: Outbreaks of rain, hill fog, wind SW, strong to gale, severe gale in exposed places; max temp 9° to 11°C (48° to 52°F).

Edinburgh, Dundee, Aberdeen: Occasional rain, some bright and dry interludes; wind SW, strong, locally gale; max temp 9° to 11°C (48° to 52°F).

Argyll, NW Scotland, N Ireland: Outbreaks of rain, hill fog, drier and clearer after dark; wind SW, gale, locally severe gale, veering W; max temp 9° to 11°C (48° to 52°F).

Outlook for tomorrow and Thursday: Rather cloudy with some rain at first, but brighter, colder weather spreading S to all parts by Thursday.

Sea passages: S North Sea: Wind NW, fresh to strong, backing W, moderate; sea rough, becoming slight.

Strait of Dover, English Channel (E): Wind W, light to moderate; sea slight.

St George's Channel: Wind fresh to strong, occasionally ... later; sea rough or very rough.

Irish Sea: Wind SW, strong ... gale, occasionally severe gale ... N; sea very rough.

Yesterday

London: Temp: Max 6 am ... pm, 10°C (50°F); min 6 pm ... 6 am, 6°C (43°F). Humidity ... pm, 67 per cent. Rain, 24 hr ... 6 pm, 67 per cent. Rain, 24 hr ... 0.5 hr. Bar, mean sea level, 6 ... 1,014.2 millibars, rising.
1,000 millibars = 29.53in.

WEATHER REPORTS YESTERDAY MIDDAY: c, cloud; f, fair; r, rain; s, sun; sn, snow.

		C	F			C	F			C	F			C	F
Akrotiri	s	18	64	Budapest	f	8	46	Innsbruck	r	6	43	Moscow	sn	-6	21
Algiers	s	19	66	Cardiff	c	7	45	Jersey	c	9	48	Munich	f	5	41
Amsterdm	f	8	46	Cologne	c	9	48	L Palmas	c	19	66	Naples	f	10	50
Athens	f	13	55	Copenhgn	c	2	36	Lisbon	s	16	61	Nice	s	16	61
Barcelona	c	13	55	Dublin	f	8	46	Locarno	s	15	59	Oslo	c	2	36
Beirut	s	17	63	Edinburgh	c	4	39	London	c	8	46	Paris	r	7	45
Belfast	f	5	41	Florence	s	14	57	Luxembrg	r	5	41	Rome	s	17	63
Berlin	sn	2	36	Funchal	f	16	61	Madrid	s	15	59	Ronaldswy	c	5	41
Biarritz	f	12	54	Geneva	s	7	45	Majorca	f	16	61	Stockholm	sn	-2	28
Birmghm	c	9	48	Gibraltar	s	17	63	Malaga	s	19	66	Venice	s	11	52
Bristol	c	6	43	Guernsey	f	9	48	Malta	f	11	52	Vienna	r	4	39
Brussels	f	8	46	Helsinki	s	-5	23	Manchstr	c	6	43	Zurich	f	7	45

Overseas selling prices
Australia $1.50; Austria Sch ...; Bahrain BD 0.600; Belgium B fr ...; Canaries Pes 80; Cyprus ...; Denmark Dkr 4.75; Finland Fm ...; France Frs 4; Germany Dm ...; Greece Dr 40; Holland Dl 3.25; Iran Rials 110; Iraq ID 0.450; Irish Republic 20p; Italy L 900; Jordan 0.375; Kuwait KD 0.500; Lebanon 4.00; Luxembourg Lf 23; Madeira 35; Malta 30c; Morocco Dir ...; Norway Kr 5.00; Oman OR ...; Pakistan Rps 9.00; Portugal Esc ...; Qatar QR 6.00; Saudi Arabia SR ...; Singapore S45; Spain Pes 75; Sweden Skr 5.00; Switzerland Sfrs 2.70; Tunisia Din 0.35; US $ 4.50; Canada $1.50; UAE Dh 6.00; Yugoslavia Din 30.

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Clegg award to NHS ancillaries would cut pay, union says

John Roper
alth Services Correspondent

Nage rises costing nearly ›m in a full year were ommended yesterday by the gg comparability commission 37,000 staff in the profes- as supplementary to medi- e.

The proposals were condem- l immediately by the staff e secretary, Mr Steve John- , as "an unmitigated disas- by a bunch of amateurs".

Unions representing chiropo- ts, dieticians, occupational rapists, orthoptists, physio- rapists, radiographers, nedial gymnasts and speech rapists are committed to epting the findings.

But Mr Johnson, of the ional and Local Government icers Association, said that the top three grades con- ned the Clegg recommenda- ns meant a salary decrease. e commission had rejected st of the staff side evidence l their representatives were ndering if it had been read. he report would be seen as etrayal of hard-working pro- sionals in the National alth Service. It was based gely on the advice of the sultants, HAY-MSL, who l no understanding of the k done.

Chiropodists had said that if Clegg award was disappoint- they might withdraw their vices from the NHS and seek ontract basis for their work. hat would cost the NHS £12,500 a year for each chiropo- dist, against the maximum salary of £8,482. That appeared to be a threat of the kind likely to be implemented in the light of the Clegg recommendations.

The award affects about 37,000 staff in the NHS, of whom about 15,000 work part time. It recommends average increases of 16.7 per cent for basic grades, 17.3 per cent for helpers, and 10.3 per cent for the most senior management grade.

For the most senior teaching grade the award was 10 per cent. All the increases are in addition to a 9 per cent rise given last April. The last big review of salaries was in 1974.

The salaries will be paid for a 37½-hour working week, which the commission found to be the most common to the professions concerned. On that calculation the cost of the proposals in a full year would be £19.6m, or 14.2 per cent of the pay bill.

All grades should be eligible for special duty payments at the following rates: weekday nights, 8 pm to 6 am and Satur- days, midnight to midnight, time and a third; Sundays and pub- lic holidays, midnight to mid- night, time and two-thirds.

The report says that in con- sidering the starting salary of the basic grade in the profes- sion supplementary to medicine the commission had thought that the staff nurse's salary, the basic in the nursing profession, as the nearest analogue. The professions should not receive a lower starting salary.

TUC urges freeze on farm prices in EEC

By Our Agriculture Correspondent

The Trades Union Congress said yesterday that it wanted cuts in EEC prices of farm pro- duce for which there were sur- pluses in the Community. It called for a price freeze on all other products covered by the common agricultural policy.

The TUC position was stated in a letter from Mr Len Murray, the general secretary, to Mr Peter Walker, Minister of Agriculture, Fisheries and Food. The letter marks the most radical authoritative con- tribution so far to the bargain- ing in the Community which will determine farm price levels for the coming year.

It puts the TUC in direct opposition to British farmers, who support a claim by their counterparts elsewhere in the EEC for an average rise of almost 8 per cent. Mr Murray said the general council was "deeply concerned" that the European Commission had advised Community farm ministers to fix an average rise of 2.4 per cent.

"It is also concerned that the effect of the proposed increases in institutional prices will be to increase the United Kingdom's already excessive net contribution to the Com- munity budget", Mr Murray wrote. The general council opposed attempts by the Euro- pean Commission to end the butter subsidy in Britain and make dairy farmers here pay extra levies

Whitehall brief: Scrutineers pinpoint economies

Cut down the rules, Sir Derek says

By *Peter Hennessy*

Last month the Prime Minister threw a party at Number 10 for 30 young civil servants with whom she was well pleased. They were Sir Derek Rayner's "scrutineers" who had combed Whitehall for examples of inefficiency and extravagance and produced a list of potential economies amounting to £80m a year, with a further £55m of once-and-for-all savings on capital projects, most of which seem likely to be implemented.

Mrs Margaret Thatcher thanked them individually for their efforts. Sir Derek Rayner, joint managing director of Marks and Spencer and her part-time adviser on the elimination of government waste, positively beams with pleasure (he looks like everybody's benign uncle) when he talks about it.

Sir Derek is a fortunate man. He has the wholehearted backing of the Prime Minister and he is Whitehall's favourite businessman, having been a permanent secretary himself as Chief Executive of the Procurement Executive, the supply agency for the Armed Forces, in 1971-72. Between 1972 and his arrival at the Cabinet Office in May last year, he never lost touch with the heart of government sitting on a battery of Whitehall steering committees and boards.

During the decade since Mr Edward Heath first brought him into government, Sir Derek has developed the Rayner theory of bureaucracy. Bureaucarcies tend to expand unless checked by positive action. There are always new tasks to be performed, old tasks are rarely dropped. The root of the problem, he believes, is the Civil Service's obsession with the rule book.

The books of rules and regulations grow and grow every time a mistake is made. Initiative, commonsense and anything that smacks of the entrepreneur goes out of the window because failure is always noticed and success is forgotten. The workload is very largely created by the rule books. I was in a Department of Health and Social Security office before Christmas where the clerks have to work with 50 volumes of rules created since 1948. Unless the rules are cut down and allowance is made for a percentage of error, we will not get to grips with numbers.

The remedy developed in Mr Heath's time was a system known as programme analysis and review (PAR). An interdepartmental committee would select an area of work to see if it should be continued as before. The Treasury did not like PAR, took it over from the Civil Service Department and effectively killed it. One Treasury man, involved with PAR for a number of years, described it privately as an "excrescence".

Sir Derek's new-model PAR has the name of the scrutiny programme. PAR failed, he believes, because too many senior civil servants could get at its findings before they reached ministers, erasing all traces of radicalism in favour of Whitehall's preferred virtues of moderation and compromise.

His scrutinies are carried out by carefully chosen young men and women, working personally to him with encouragement to be as radical as possible. Their reports go straight to their departmental minister and permanent secretary, and to Sir Derek himself, without any opportunity for chiselling by the senior ranks. Interdepartmental consultation, another curse of PAR, has been removed as Sir Derek learnt from his experience in the early 1970s that unless work was done inside departments themselves nothing of value emerged.

To set an example, Sir Derek scrutinizes his own tiny Cabinet Office operation with a magnifying glass. His team of Mr Clive Priestley, an under-secretary who acts as chief-of-staff, an economic adviser, an executive officer and a personal secretary cost £5,130 a month to run. He clearly relishes his roving brief but says that he and the Prime Minister are well aware that it will take years to reshape Whitehall.

"You have to do it bit by bit. You cannot just dismantle it because there are all kinds of things which, if they were dismantled tomorrow, God knows how many demonstrations we would have outside the Houses of Parliament", he said.

One Whitehall insider has suggested that Sir Derek would make a marvellous Head of the Home Civil Service when Sir Ian Bancroft retires in 1982. "It would be like Michael Edwardes going to British Leyland. Wouldn't it be a good idea to have an outsider without the closed mind of the mandarin, and he has been a permanent secretary. There would be some interesting conflicts."

Photograph by David Jones

Sir Derek Rayner: Has Prime Minister's backing.

More join in protest over Flowers report

Our Health Services respondent

senior staff at King's College l students at the Royal Free dical school are joining stminster Hospital in the tests against the controver- report by the Flowers work- party on medical education London.

Westminster Hospital and its dical school will almost dis- ear and the preclinical artments of the Royal Free l King's College will be sed if the proposals are plemented.

The initial reaction of Sir hard Way, the principal, and demic staff at King's lege, published yesterday, icized the working party for : of consultation with the ege. The Flowers examina- 1 of the case for and against teaching of medicine at g's was "extremely super- al and its conclusions mis- ded", they said.

The argument for ceasing clinical teaching at King's : fallacious and would lead a considerable lowering of demic standards, particu- y as good teaching and earch went hand in hand.

The chapter in the Flowers ort on financial implications ucked millions of pounds savings out of the air from directions". No one could e the chapter seriously ess much more supporting dence could be produced.

It did not inspire confidence read that the "order of nitude" of savings from onalization of academic artments and academic posts could not be calculated at this stage and, two sentences later, that the eventual further saving "could amount to a further £3m per annum".

Not the least fascinating piece of supporting evidence would be that which demonstrated how savings could be made by removing more than 300 students from a school with a unit cost of £1,767 a student at the cost of an equivalent increase in numbers at schools with unit costs ranging from £3,751 to £5,812 for each student, King's College said.

Women medical students of the Royal Free Hospital, dressed in authentic suffragettes' dress, plan to chain themselves to the railings at London university Senate House today. The protest at the proposed closure of the hospital's preclinical school is timed to coincide with the meeting of the university's Joint Medical Advisory Committee.

The costumes are in remembrance of the school/'s heritage as the first set up by women to train women doctors. The students have the support of half a dozen local branches of unions whose members work in the hospitals.

The Flowers argument, based on the London Health Services Planning Consortium conclusion that the number of beds in London hospitals must be reduced because of the fall in population, is wrong, the students say. Hospital services in London were likely to be overstretched by the late 1980s.

Dr Tony Smith on university cuts, page 12

Tory MP gets £,482 over street accident

Mr William Rees-Davies, QC, servative MP for Thanet, st, who is known as "Count cula" because of the black ak he wears, was awarded 82 damages in the High rt yesterday for injuries he ered when he was knocked n by a car near the House Commons.

Mr Rees-Davies, aged 63, of d North Street, London, said r the hearing that he was d to the nickname his cloak earned him. He added: "I not mind it at all; Dracula's much easier character than "

He was said to have been ring his cloak at the time the accident in January, 8. His leg was broken when was hit by a car driven by Cedric Day, of Tyrone Road, t Ham, London, who denied g to blame.

Judge Hawser, QC, rejected defence allegation that Mr s-Davies was affected by ik on the night of the dent. That had not been blished.

The judge ruled that Mr Day ed to keep a proper lookout was half to blame for the dent. He also held Mr Rees- ies half to blame.

Newspaper to pay damages to broadcaster

Eamonn Andrews, the broadcaster, received a public apology in the High Court yesterday over a newspaper's allegation last year that he knocked out Mr Charles Haughey, now Prime Minister of the Irish Republic, during an incident at a party.

The *News of the World* has also paid Mr Andrews's undisclosed damages and his costs in bringing an action to put the record straight, Mr David Eady, his counsel, said.

Mr Eady told Mr Justice Jupp that the statement appeared last December in Whitefriar's Diary under the heading "Why Eamonn KO'd his pal the Premier".

It alleged that Mr Haughey made a slighting reference to which Mr Andrews took exception and that Mr Andrews "knocked him out cold".

Mr Eady added: "These allegations were completely without foundation", since there was no such occasion.

Mr Charles Gray, counsel for News Group Newspapers and Mr Bernard Shrimsley, proprietor and editor of the newspaper, said they unreservedly withdrew the allegations and apologized to Mr Andrews.

Baby 'blinded by oxygen'

Eye damage which con- ned a baby boy to a lifetime total blindness was caused negligent medical treatment after his birth at the West- ster Hospital, it was alleged he High Court yesterday.

The boy, now five years old referred to as Robert, was n prematurely at 28 weeks he very limit of viability, Mr liam Macpherson, QC, said. fter birth he was given too h oxygen over too long a od, counsel added. As a lt the blood vessels in his were affected and he was nanently blinded.

The boy, now in the care of tminster City Council and iting adoption, sued Ken- ton, Chelsea and West- ster Area Health Authority Dr Handley M. T. Coles, a ultant paediatrician, for ages. The case was brought is behalf by the authority's social services director. Negligence was denied.

Mr Macpherson told Mr Justice May that there was no dispute that the boy was given varying quantities of oxygen in the stormy earliest days of his life. The issue was whether the treatment was unnecessary and negligent.

Mr Alan Mushin, of Moorfields Eye Hospital, London, agreed with Mr Anthony Machin, QC, for the health authority, that the boy's life had been in danger at birth.

"If he were to live, he required immediate resuscitation, including the administration of 100 per cent oxygen", counsel suggested.

Mr Mushin agreed that the dangers of giving the baby oxygen had had to be weighed against the dangers of not doing so.

The hearing continues today.

PARLIAMENT, March 10, 1980

Electricity price rise need not automatically follow fall in demand

House of Commons

Increases in electricity costs resulting from lower sales were not automatically a reason for passing on all the cost to the consumer, Mr David Howell, Secretary of State for Energy said.

He said that United Kingdom indigenous energy production totalled 328 million tonnes of coal equivalent in 1979, an increase of some 85 percent on 1974. Demand for primary fuel over the next five years would depend on a number of economic factors.

On the assumptions of *Energy Projections 1979* demand in 1985 would be some 3 to 7 per cent *above present levels.*

Dr David Owen, chief Opposition spokesman on energy (Plymouth, Devonport, Lab)—There has been a considerable *fall-off in* electricity demand. What are the implications of that for the existing AGR programme at Heysham and Torness and for the future nuclear power programme?

Will he confirm there will be no question of increases in electricity prices rewarding electricity consumers for a fall in demand?

Mr Howell—The electricity supply *industry* recently reviewed its forecasts of sales in 1986-87 somewhat. I share the view that if there are increases in costs arising from lower sales *that is not automatically* by any means a reason for passing on all the cost to the consumer.

As to the implications for the overall capital and current programmes for the electricity supply *industry*, these are being looked at in the light of the new forecasts.

Mr Peter Rost (South-East Derbyshire, C)—How does the Government's forecasts of electricity demand differ from the Central Electricity Generating Board's latest downward revision?

Was he not made aware of this downward revision? Why it is happening? What will be the impact *on the nuclear programme?*

Mr Howell—The electricity supply industry has come forward with these *revised forecasts of sales.* My department makes energy projections from time to time. When such proposals come forward from the electricity supply industry they are examined in my department and would have an effect on energy projections.

Part of the sales forecasts relates to the very short-term and the short-term fall in demand because of the warmer weather. That would not fit in with the longer term question of energy projections.

The Government remains fully committed to the nuclear programme. That is not affected by short-term questions of electricity supply.

Mr Joseph Dean (Leeds, West, Lab)—Would he comment on *reports* in the press of a possible cutback not only in the future provision of nuclear power stations but conventional ones?

This would have a *disastrous* effect on the base in this country of the power plant manufacturing industries, both to supply the home market and its export potential. It would have disastrous consequences on unemployment.

Mr Howell—I am aware of the connexion between the nuclear power ordering programme and the interests of our industry and jobs in this country. I cannot comment on newspaper speculation of the kind he has mentioned.

***Dr Owen** said during later exchanges*—His replies are inconsistent. He said he did not want to see an increase in price. He has also said he wished to see the AGR programme go forward and the nuclear industry be given confidence, yet he constantly reiterates that the cash limits must be maintained.

He needs to relax the cash limits under which the electricity board are currently operating.

Mr Howell—I would not accept that, nor is he correctly repeating what I said. I said I did not accept that all costs should automatically be passed on in prices.

There must be a vigorous search for economies to meet the rise in costs. It may be that some rising costs have to be passed on, but I do not accept the doctrine that it is simply a question of passing on all increases in costs to the consumer.

Objections to voting millions 'on the nod'

At a time when they were supposed to be observing stringent control of public expenditure, it was *not good enough* for the House to be asked to approve supplementary estimates running into hundreds of millions of pounds "on the nod", Mr John Bruce-Gardyne (Knutsford, C) said.

He was *speaking* on a business motion which, he said, enabled outstanding votes to be taken on the nod at 7 pm. The essential *element in the votes to be taken* was the Spring Supplementary Estimates, amounting to £835m of additional public expenditure.

The House should pause for a moment before it approved a business motion which was designed to ensure there was no opportunity of any kind for MPs to discuss this massive increase in public expenditure.

He was not *criticizing* ministers because it was the House which had decided in its wisdom or otherwise the procedure that should be followed, and that votes of this kind should be taken on the nod.

What made it doubly a matter of concern on this occasion was that wrapped-up within the supplementary estimates was a *provision for £70m to be paid* to two departments, the Scottish Office and Ministry of Defence, to compensate for overspending their current cash limits.

When cash limits were to play a major part rightly in the control *of public expenditure,* the House should pause before approving a motion like this.

It might be in order to debate these matters on Wednesday during debates on the Consolidated Fund, but by then this money would already have been approved and MPs would be asking about the matter after the horse had bolted.

Mr Michael English (Nottingham West, *Lab) said their procedures* were archaic in this respect and the Procedure Committee which had dealt with non-financial aspects of the House's procedure last session should be set up again.

MPs could not go to their constituents and say that cash limits applied to everybody except the Department of Defence, and a few others.

Mr Kenneth Baker (City of Westminster, St Marylebone, C)—said *the House* was being *asked to vote* on the nod almost £900m of extra expenditure. Before the House was asked to make a decision of that sort, the ministers who were responsible for this should be called to account by the House.

The time was ripe to look at the procedures and how they dealt with financial legislation estimates.

Mr Norman St John-Stevas, chancellor of the Duchy of Lancaster and Leader of the House (Chelmsford, C) said he agreed *the present procedures* were not entirely satisfactory. It was the prerogative of the House to grant or withhold supply. That was the foundation of the power of the Commons.

Therefore, at some point in the future, this might well be examined, but he could not go farther than that today.

They already had a series of *proposals from the Procedure Committee* they had not disposed of, although they had made good progress. The new Select Committees were throwing up new problems from day to day, which he was having to deal with.

The *business motion* was agreed to.

Efforts to boost N Sea oil investment succeeding

There were signs that the Government's efforts to encourage investment *in the North Sea* were meeting with success, Mr Hamish Gray, Minister of State for Energy, said during question time exchanges.

Mr Wedgwood Benn (Bristol, South-East, Lab) had said—Quite apart from the case for taxing the *oil profits, now astronomical* as a result of a factor to which the oil companies have contributed nothing—the Opec price increase—the fact *that* North Sea oil can be sold at roughly five times its cost of production indicates that the Government has a clear duty to retain ownership of the oil.

In that case, 100 per cent of that excess profit accrues to the British people through the Treasury. This increase in the Opec oil price makes *it* vital that every barrel of oil owned by BNOC is retained by the Government, as it is an asset which is appreciating more rapidly than any other in our reserves. (Labour cheers.)

Mr Gray (Ross and Cromarty, C)—*He has always had difficulty* in separating state ownership from British ownership. The two are not necessarily the same. (Conservative cheers.)

The present Government has tried to create a climate which will encourage future investment in North Sea oil. This is being achieved. Already there are substantial signs to that effect.

Government policies matter more than image

It was not the Government's image that mattered but whether its policies would work, Mr Angus Maude, the Paymaster General, said during questions. He was entirely confident that the policies of this Government would work.

Mr Robert Atkins (Preston, North, C) had said recent events such as the ballot by steel workers had indicated that the Government's policies were *beginning to* get through to the public. There was a new air of realism among the public. **Mr Maude** (Stratford-on-Avon, C)—*I certainly agree* that there is a new air of realism in the country. Events in recent weeks, including not only the decision of the South Wales miners, but that of the British Leyland workers, and of workers in the private steel companies as well as yesterday's decision by those who voted in the British Steel Corporation ballot are all indications of the air of realism on the shop floor.

Mr Eric Heffer (Liverpool, Walton, Lab)—*The Financial Times* reports there has been bleating on the part of some *Conservative* party committees in relation to communications.

Whenever a government gets into trouble, and they all seem to do at certain stages, backbenchers bleat that communications are not right.

Mr Maude—Yes. It is true that there are always people who think it is within the power of those who deal with communications to make people like temporary sacrifices which are necessary but not likeable.

Mr James Lamond (Oldham, East, Lab)—If Mr Maude is so satisfied with his work of publicizing Tory party policies, is he looking forward to increasing the Tory majority at Southend on Thursday?

Mr Maude—My experience has been that it is always unwise to forecast by-election results.

Mr David Steel, Leader of the Liberal Party (Roxburgh, Selkirk and Peebles)—When he next meets the press would he explain his extraordinary decree that none of the Government's ministers will be allowed to appear on radio or television to discuss Government policies when there are also members of other parties appearing?

Is Mr Maude so lacking in confidence that ministers can only appear in prepackaged container form where they will not be open to cross-examination?

Mr Maude—He is ill-informed. I have never made any such decree nor am I authorized to do so. It has been the practice of successive governments to give guidance to ministers on their appearances on radio and television. I have written to my colleagues recently merely to clarify the existing guidelines.

Fishing vessels

Mr Norman Tebbit, Under Secretary for Trade, in a written reply, said: The voluntary scheme of reporting in by British fishing vessels has been in use for less than a year. In the light of experience, and after careful consultation with the fishing industry, I do not propose to introduce a statutory position reporting scheme for fishing vessels.

Labour accused of urging councils to spend more

Council house tenants were now *paying a substantially increased* proportion of their earnings on rents than under the Labour Government, Mr Roy Hattersley, chief Opposition spokesman on the Environment (Birmingham Sparkbrook, Lab) said when moving an Opposition motion deploring the Government's housing policies.

The debate, he said, was about the high cost of Conservatism, about *the price* the Tory Government required to be paid by owner-occupiers, by council tenants and tenants of private *landlords. That price was not mentioned* in last May's Conservative election manifesto.

Then the Conservative Party above *all* had posed as the friend of the owner-occupier, and won thousands of votes by deception. Now the families who were deceived faced the need to pay the highest mortgages in history.

Whatever reason the Government had for putting up council rents, it was not the intention of increasing council building.

In most areas where the local or specific needs were greatest, the Government had ended council building altogether.

The net result of the Government's *policy of reductions* in investment and increases in rent was that they were now offering council tenants the opportunity of *getting much worse and paying* much more.

The rent *increases* were the direct and absolute responsibility of the Secretary of State for Environment. They were increases which council tenants must face at the same time as they were obliged to pay substantial increases in their rate bills. The rent increases had been advocated by the Secretary of State *and enforced by his* rate support policy.

Councils were to be once more allowed, encouraged, or obliged *to* create surpluses on their housing revenue account. It was the Government's readoption of the old Rent Act idea of making a profit on council housing.

The Opposition expected rents to go up from time to time but the idea that they should be pushed to a level far beyond the economic necessity and that legislation should be passed to allow *surpluses of a substantial* sort to be carried on the housing revenue account seemed to them to be wrong. It was no more than a hidden tax on council tenants.

It demonstrated the deep distaste that the Conservative Party had always felt towards council house tenants.

The Conservatives continued to be the friend of private landlords and the enemy of council tenants, but what came as a shock was their callous disregard for the interests of owner occupiers. Since May no one had been more cynically betrayed. Because of the Government's policies the burden *on them was heavier than ever* before.

A family with a £15,000 mortgage had since January been handing over an extra £36.75 a month.

Did Mr Heseltine share his view that mortgage holders ought to *brace themselves for a long period* of high repayments? While the present international financial climate and domestic fiscal policy persisted mortgage holders ought to be prepared to continue paying the present uniquely high rate or about that rate.

What could Mr Heseltine say about the fundamental change being considered in building society policy that even when the MLR fell there might not be matching reductions in the mortgage lending rate? He must have had discussions with the building societies on this. What did they reveal?

Would he answer sensibly the question of the effect of council house sales on the prospects of private mortgages? The clear policy of the Government was to finance as many council house sales as *possible out of private building* society funds.

If a large number of council tenants applied to building societies there *could only be two possible* consequences—fewer mortgage demands would be met proportionately or building societies would increase their interest rates *in* order to attract new lending in order to finance new borrowing. The building societies feared they would be forced into an unnecessary increase in current terms in their lending rates to attract the new capital to meet the demands of council house sales.

Mr Heseltine must have discussed this with the building *societies. He should tell the House* the outcome but he feared he would not do so, but instead take his usual refuge in insisting that all these difficulties were necessary and that all these hardships had to be endured to create the Conservative economic Eldorado in which even few of his backbenchers believed.

In 10 months, public expenditure *cuts, increases in* rents and record mortgage rates had produced a reduction in industrial investment, deterioration in the balance of payments *and a doubling of the* inflation rate. An economic policy which was supposed to justify the hardship that had been caused had *not improved things*.

The cause of that unhappy condition and of the *suffering* facing tenants and owner-occupiers was the same. It was the doctrinaire incompetence of the Government.

Mr Michael Heseltine, Secretary of State for the Environment, moved the Government amendment, welcoming Government measures "to bring public expenditure on housing into line with what the country can afford, to encourage the release of more privately rented accommodation, and to extend home ownership to a greater number of people than ever before".

Mr Heseltine (Henley, C) said that a single word illustrated the profound difference between the attitude of this Government in its first year and the approach of the Labour Party in its last desperate years. That word was "responsibility".

Labour MPs: "Stupidity".

Mr Heseltine said that the Government's task was to pursue policies which were essential to the regeneration of the economy.

No one could seriously question that that *involved lower levels of* public expenditure, and it was in that context that he had asked local government to play its part.

The only result of the continued ignoring of economic reality was an economic decline which threatened *to become irreversible. To try* to debate housing costs, whether for rented or purchased homes, outside that context made no sense.

The debate was also about Mr Hattersley's rejection of policies which at one time he had loyally espoused and which the Government of which he had been a member had found itself compelled to pursue.

Labour was out of power and was once again trying to offer unrealistic options to the country, oblivious of the national interest. No one would be deceived by the arguments *Mr Hattersley advanced* today, and he (Mr Heseltine) preferred to stay with what Mr Hattersley had said in 1976—that an essential element for economic recovery must be a reduction in public spending.

They all deplored mortgage rates of 15 per cent, but they became inevitable with general interest rates at their present level and *when the previous Government* had added £40,000m extra in its term of office to pay for public expenditure above the level the country could afford, the *result for interest* rates had been inevitable.

Britain's money markets were world markets and for Mr Hattersley to imply that Britain could isolate itself from them served no useful purposes.

As inflation came down through a balance of fiscal and interest rate policies, so too would interest rates. Mr Hattersley attacked the *present level of interest charges as* they affected mortgages; he attacked the cost of owning a home, but did not explain that since the election he had called for higher levels of government expenditure which meant more borrowing and therefore higher interest rates on the one hand; while on the other he urged local government to push up their spending and increase their *rates*, thus adding to the cost of home ownership.

Mr Hattersley's policies would inevitably hit harder the group he pretended today to car for. He knew that was the reality which he recognized in office and only in Opposition did he seek to pretend that it was otherwise.

The same basic economic premises *applied* to the rents in the public sector, with the additional problem that they needed to resolve the distortion specifically imported by the rent *and subsidy* policies of the previous Government.

For blatantly political reasons, the Labour Government refused to bring in policies it knew made economic sense. It allowed rent *subsidies to rise and gave in to* pressures to keep down rents to levels which all but a small group within the Labour Party recognized were unreasonably and unacceptably low.

Once again this Government had *to restore responsibility and common sense.* Once again the Opposition condemned policies which in its more honest moments in government it knew and said ought to be pursued.

In the case of rents, what he had done was to announce policies which Labour advocated when in government but lacked the courage to carry out. *Far from rents being kept in line with earnings they* steadily dropped year by year. Labour thought it was buying credit, but in reality it was steadily destroying the credibility of much of its public sector housing programme.

Too many rents in the private rented sector were uneconomic. Premises had fallen into disrepair and given the opportunity landlords had sold up.

Rented accommodation had become scarcer and scarcer and the demand in the private rented sector now greatly exceeded the supply. This was hardly surprising.

Controlled rents had been basi*cally unchanged since 1956 and* averaged about £1 a week. In the rent-regulated sector rents had risen by just over 100 per cent since 1970. Earnings and repair costs over the same period had *risen two and a half times as much.*

In 1970 fair rents produced an estimated net yield of around 7 per cent. By 1980 it was down to 3 per cent.

No responsible government could ignore these facts. The private rented sector could and should play a major role in meeting housing needs, especially for the young, the single and the mobile.

The Government was therefore taking sensible measures. *The* Housing Bill ended the system of controlled rents and would replace it by *fair rents.* Tenants would be protected by rent allowances and *supplementary* benefit. In the regulated sector the three year period for fair rent revision would be reduced to two years and phasing *would be in two equal stages* rather than three.

Rates was perhaps the burden that the householder resented most of all. There should be no doubt as to where the *responsibility* for the burden of high rates this year *would lie. It would lie with* Mr Hattersley and his colleagues who had embarked on a deliberate campaign to encourage local authorities actually to spend more.

Five weeks ago Mr Hattersley told an audience in Sheffield: "I am sure that when it is in your power to avoid making cuts you will do so . . . of course in many, perhaps all areas that will mean *rate increases . . . or to put it* more precisely, extra rate increases."

Far from an increase in rates he (Mr Heseltine) had asked local authorities to reduce spending, 2.5 per cent less, next year than last. He had introduced a rate support grant system that was fair, a 61 per cent grant, a stable distribution, a realistic cash limit. At every *meeting with local government he had* asked that not a penny more be raised than was necessary.

Mr Hattersley told the Sheffield Labour councillors: "most of you will choose the additional increase, and *in* doing so will *receive the wholehearted support* of the Labour movement."

There they had it. The Labour Party was encouraging local authorities to put public expenditure up and begging, imploring, local councillors to put up rates. Mr Hattersley could not be disappointed by the results he had achieved, it was not as though the Labour Party had let him down.

In Sheffield the rates had gone up by 45 per cent. In Liverpool, Labour put the rates up by 50 per cent, in Wolverhampton by 56 per cent. Every day new records were broken.

Labour might have put the rates up by a staggering 177 per cent in Stockton on Tees but there was still time for later results in this rate fixing season.

For Mr Hattersley (he said) as he wields his bat it is still very much a case of 177 not out.

In London 11 Labour authorities had bigger rate rises than the highest Tory council. All Mr Hattersley's friends were there in the *roll of honour—Lambeth*, Hackney, Lewisham and Southwark—all with rises of over 45 per cent.

There is (he continued) an increased burden—it is Labour's burden—and it averages £2 a week for the ratepayers in Lambeth and *Islington. The price of municipal* socialism in Camden has reached £408 a year.

This contrasted dramatically with the much more responsible behaviour from Conservative authorities across the country. In many there had been an increase in line with or less than inflation.

In London, 12 Conservative authorities had lower increases than the smallest Labour increase.

There was not the slightest doubt of the pattern that was emerging, responsibility and restraint in Conservative authorities compared with a conscious and determined policy in Labour authorities, lead by Mr Hattersley, to spend, spend and spend again.

The Government had adopted and would continue to follow the policies that it knew were necessary in every area of economic and social policy.

The measures in the current Housing Bill would bring about the *widest expansion of home ownership* in the shortest period the nation had ever known as council houses were sold to tenants.

In the private sector, builders were looking for ways to assist buyers, especially first-time *purchasers, and through* the speeding up of the planning process was helping builders. The Building Societies had agreed to make £400m available this year under a support scheme.

The basic objective behind Government policy was restoration of economic sense. It would not hide behind the futile rejection of reality that characterized the housing policies of the previous government. It would continue to strive to bring about that sense of restraint in local government spending that the nation looked for.

Mr Stanley Newens (Harlow, Lab) said in giving people in new towns and in council houses generally the opportunity to buy, Mr Heseltine could be positive that many of them would be homeless later because they would not be able to keep up the mortgage repayments and nobody would have the authority housing available to rehouse them.

Mr Charles Irving (Cheltenham, C) said there were 60,000 empty police or prison officers' houses. Local authorities, particularly county councils, should be made to *explain why those houses* were kept empty.

Mr Stephen Ross (Isle of Wight, L) said the housing situation was likely to lead to civil unrest unless something was done about it quickly. There was nothing on the *skyline that gave him confidence* for the future. It was nonsense to try to deal with the housing problems in one blanket measure.

Mr Michael Shersby (Hillingdon, Uxbridge, C) said he hoped the Government would encourage the kind of equity sharing scheme for the purchase of part of their house as initiated by Hillingdon Council where a couple could afford a mortgage of perhaps £12,000, a third of the average price of a house in that area.

Mr John Heddle (Lichfield and Tamworth, C) said rent control made for misery and homelessness. Now was the time to cast off the cloak of dogma and agree that the housing crisis would only be solved in a free and fair market place *where demand equalled supply*.

The Opposition motion was rejected by 309 votes to 251—Government majority, 58.

Changes in Special Patrol Group

Mr Iain Sproat (Aberdeen, South, C): asked the Home Secretary to make a statement on the role of the Special Patrol Group.

Mr William Whitelaw, said in a written reply: Following the events at Southall on April 28, 1979, the Commissioner of Police of the *Metropolis* directed the Deputy Commissioner to review the Special Patrol Group and consider its future role. That review has now been completed and the Commissioner has informed me that, in the light of it, he intends to make *three main changes* in the organization and structure of the group.

First, the Special Patrol Group will be decentralized to the four areas of the Metropolitan Police district. This will reinforce links with the local community while still enabling the units to be brought together when the *efficiency of operations* makes this necessary.

Secondly, length of service in the group will be limited to a maximum of four years: this will counter the risks involved in lengthy periods of service in a *specialized unit.* Thirdly, the Commissioner intends to increase the number of supervisory ranks, principally at chief inspector level.

I welcome, and fully support, these changes. The Commissioner firmly believes, and I share his view, that the Special Patrol Group has played, and will continue to play, a vital role in policing the Metropolis. I should emphasize that assistance in maintaining public order is only a small part of the group's duties.

Over the years it has played a major role in assisting local police commanders to deal with exceptional outbreaks of crime, vandalism and disorder, in searching for missing persons, in assisting the serious crime squad, in providing protective security and in dealing with emergencies of all kinds, including combating *terrorism*.

In all this work the special patrol group has been successful and, in particular, has made a *notable contribution to the prevention* and detection of crime. In 1979 the group, whose strength at December 31, 1979, was 183, made a total of 3,669 arrests.

I believe that the changes the Commissioner is making will *enable the group to perform its* necessary role as a mobile reserve more effectively in the future.

Shipbuilding story denied

Press reports that British Shipbuilders had referred an order for special ships for car transportation to the Japanese did not give the whole or a *fair story*, Viscount Trenchard, Minister of State for Industry, said during questions.

He said that this was one of approximately 1,500 inquiries which British Shipbuilders had each year. It was rather tentative as were many inquiries. British Shipbuilders responded positively to about 850.

He added that the Government remained committed to the principle of the denationalization of the shipbuilding industry.

Security of supplies and access to oil

The Labour Party should dissociate itself from the sinister threat that it might confiscate any shares in *BNOC from the state sector* which came into the hands of the public, **Mr David Howell**, Secretary of State for Energy, said during questions.

Mr John Osborn (Sheffield, Hallam, C) had asked when Mr Howell would be in a position to state his plans for the future structure of British National Oil Corporation.

***Mr Howell** (Guildford, C)—I hope* to make an announcement shortly. Mr Osborn asked for an assurance that there would be a limit to the regulatory and participatory powers of BNOC. A number of operators were concerned about the powers held by the corporation.

Mr Howell—I am aware of this concern which was expressed to the Government as soon as it came to office, which is why we took steps to limit some of the *privileges of BNOC.*

I made clear last summer and again in the autumn that it is the Government's policy to keep the necessary access to oil provided by the trading operations of the BNOC. That does involve keeping the participation agreements and arrangements that go with them.

Mr William Hamilton (Fife, Central, Lab)—Can he assure us that under no circumstances will the Government, for doctrinaire reasons, sell off to private enterprise such a valuable national asset?

Mr Howell—He talks of doctrinaire and dogma, but there is a dogma which I find hard to defend—that the state should be the 100 per cent owner of enterprises or assets in all cases. That is hard to defend in this age, when people are doubtful about the efficiency of the collectivist state and centralized agencies.

***Dr David Owen**, chief Opposition* spokesman on energy (Plymouth, Devonport, Lab)—Since it is clear that selling off BNOC would not even help the public sector borrowing requirement and would mean foregoing substantial revenue in future years and would gravely damage the United Kingdom's control over the continental shelf, can he give any reasons why he should even be considering the "privatization" of BNOC?

Mr Howell—I do not agree. The question of security of supplies and access to oil is secured by the trading assets and operations of BNOC.

The important thing for the 1980s is we should have healthy enterprise in the North Sea and good security of supply. I am not convinced that we have inherited the best system for that or that narrow state control is the best answer to encourage investment in the North Sea or anywhere else.

Standing of primary school governors

House of Lords

Articles of government for primary schools should be sent to the Secretary of State for approval, Lady David (Lab) said when moving an amendment to Clause 1 (*Change of nomenclature*) of the Education (No 2) Bill at the start of the committee stage.

The purpose of the amendment was to give a further boost to the excellent primary schools by putting them on a par with secondary schools by sending their articles of government to the Secretary of State.

Although the articles of government for secondary schools were to be sent to him for approval, those of primary schools were to be sent to local education authorities under the Bill.

I see (she said) no reason to differentiate between these equally important sectors of education.

***Lord Stewart of Fulham** (Lab) said* the articles of government for secondary schools were apparently considered to be of such importance that the Secretary of State ought to approve them but articles of government for primary schools were left to the local education authorities.

Surely the drive of the Bill was supposed to be to increase the dignity of primary schools. Why, therefore, was there this exception?

Lord Taylor of Blackburn (Lab) said during two years spent on the Taylor report and visiting 103 authorities in the United Kingdom he found primary school managers wanted parity of esteem with secondary schools.

If there were to be the right people as primary school governors they *should be treated* the same way as governors of secondary schools. They should be given exactly the same powers.

***Lady Young**, Minister of State for* Education and Science, said local education authorities had been responsible for the rules of management for primary schools since 1944. The Government did not believe there was an overwhelming reason why they should *now be subject to some additional* control.

The Government was attempting to make a major and important step forward by giving all schools, secondary and primary, governing bodies.

She was not prepared to accept that there was any kind of class distinction by not asking the Secretary of State to approve the *articles of government for primary* schools.

If the Government was to agree to the amendment the Secretary of State would have to approve articles of government for 23,000 primary schools as well as 5,000 secondary schools.

On this issue the government had gone as far as it could. It had to strike a right balance between central and local government.

Primary schools were a focal point in rural areas. They were a cohesive unit and extremely important. *They* were a *unifying* influence and for that reason the Government was legislating for the first time for primary schools. *School governing bodies* would have two parents on them, something which had never existed in law before. The Government believed in the involvement of parents.

The Government was establishing school governing bodies by statute for all types of school. There was agreement with the local authorities who would be glad to carry out the proposals and who thought the proposals were right.

The amendment was rejected by 123 votes to 60—Government majority, 63.

The clause was agreed to.

Report soon on new gas pipeline

The British Gas Corporation and Mobil North Sea Limited were making good progress in their study of a new gas gathering line and expected to submit their report by early April, Mr Hamish Gray, Minister of State for Energy, said at question time.

I am told (he added) that the results look very encouraging. The Government's judgment about the feasibility of the line will be made in the light of that report.

***Mr Gray** (Ross and Cromarty, C)* said there had been identified approximately 12 trillion cubic feet of gas which might be collected.

Mr Richard Douglas (Dunfermline, Lab) asked: How does the Government intend to underwrite its *responsibility for this crucial development?*

Mr Gray—I agree that this development will be crucial. My officials are in constant touch with the progress of the study in order to advise me on the national interest as results become available.

Speculation has its own fascination but the Government's *judgment* will be formed in the light of the study report.

An opportunity would be given to the House to discuss the matter after the Government had received the report which was envisaged *to be about the end of* this month.

Mr Kenneth Carlisle (Lincoln, C)—We must avoid the flaring off of excess gas during oil production in the North Sea. The extension of the gas pipeline will enable us to *increase oil production.*

Mr Gray—I agree. We have already taken steps to reduce the amount of flaring taking place. The pipeline would make a considerable contribution to that.

Mr Trevor Skeet (Bedford, C)—As there is so much gas available in the North Sea likely to be taken up by the pipeline, would the minister ensure that it is made available to the chemical industry which has been starved *of it in the* past? Would he also encourage a Norwegian link?

***Mr Gray**—This will be a matter* of commercial negotiation. We offered the Norwegians participation but this regrettably was refused. We would still like to cooperate with the Norwegians but they must appreciate that we *cannot hold up our plans to accommodate* them.

Mr Timothy Eggar (Enfield, North, C)—Is it the Government's intention to permit companies other than the British Gas Corporation to purchase the methane from the gas gathering system?

Mr Gray—When the report is received the Government will give it every consideration. I cannot make any further comment at this stage.

Inspectorate's views on nuclear reactor

Mr Wedgwood Benn, the former Secretary of State for Energy, had *stirred up groundless fears on the* use of pressurized water reacters for nuclear energy generation, Mr Norman Lamont, Under Secretary for Energy, said.

He was replying to Mr Benn (Bristol, South-East, Lab) who had said—The Government is in danger of losing public confidence in its nuclear energy proposals, first because it has gone for the PWR which is widely regarded as inherently unsafe from its own point of view confirmed by Sir Alan Cottrell, formerly *chief scientist*.

There are serious defects in the PWRs used in France—and when the last Government was in the nuclear inspectorate made clear to me that the Westinghouse PWR would not be acceptable and that *major and expensive modifications* to it would be required.

Unless the Government is candid with the public and does not try to rush through a programme without debate and decision in the House, it will lose the confidence *of the British people in this component* of its energy policy.

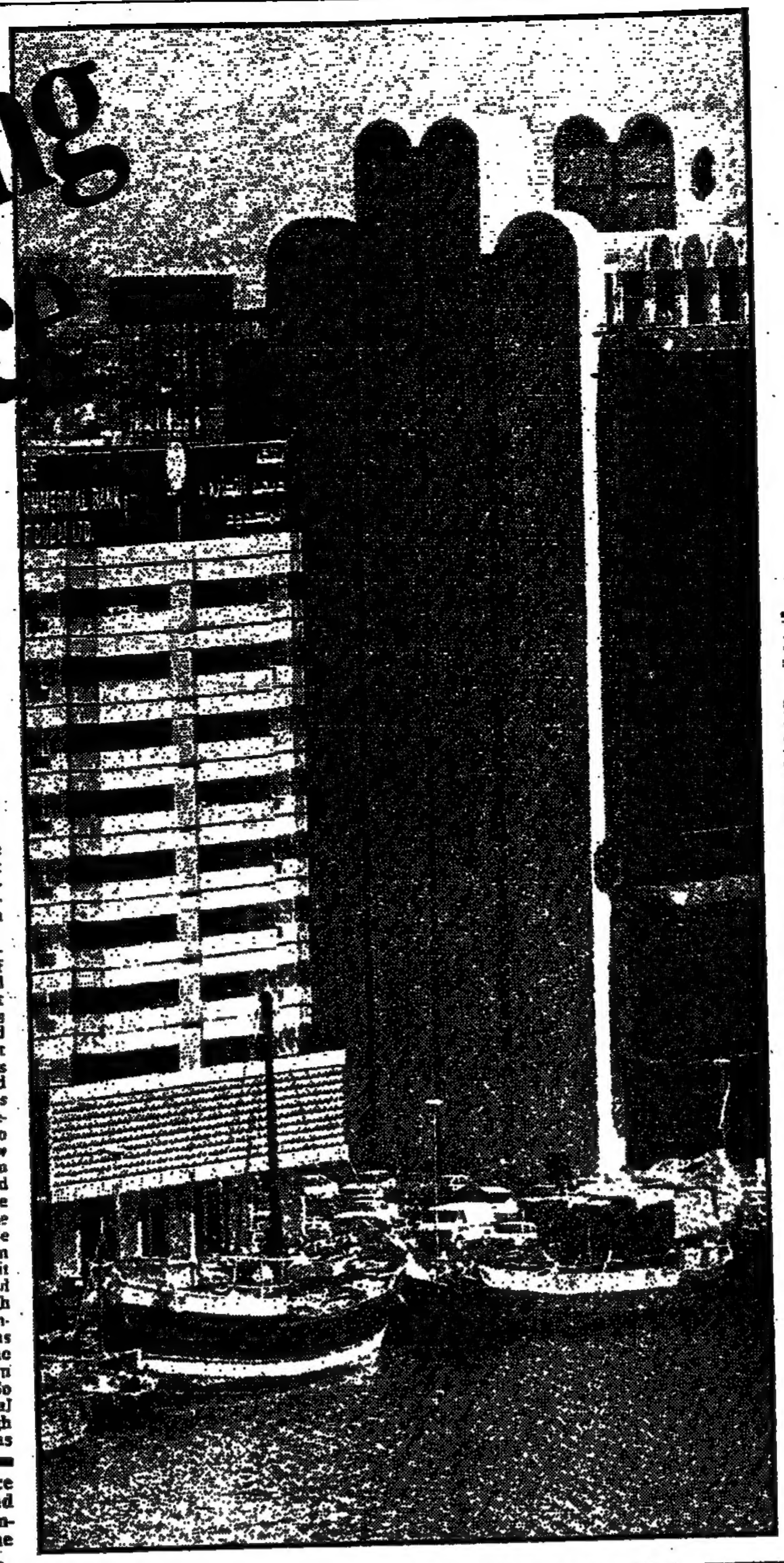
Mr Norman Lamont (Kingston upon Thames, C)—If the Government is in danger of losing the public's confidence it will not least be because Mr Benn has done so much to stir up public opinion and give rise to groundless fears. (Labour protests.) He was the complete opposite to us in being *candid and open* while this Government has published so much more documentation than his.

The Nuclear Installations Inspectorate have said that, even after the Three Mile Island incident, there was no reason why the PWR should not be designed to satisfy the most stringent safety requirements.

As regards the advice of Sir Alan Cottrell, I am sure that the NII will take that into account in their safety evaluation. Sir Alan Cottrell *has had a consultation with the NII* himself and was brought up-to-date on some points which he may not have been aware of.

Mr Benn will be glad to know that Sir Alan Cottrell is confident that no dangerous cracks in the PWR pressure vessels will escape detection if the recommendations *of the Marshall Group on pressure* vessel integrity are carried out.

Arab banking and finance



Changes in recycling oil funds needed

oping with the huge payents surpluses earned by ie Arab members of the rganization of Petroleum xporting Countries, was ie of the great successes the 1970s. It is likely to considerably more diffilt to do so during the w decade. For just when eople thought that the ariod of Opec surpluses ight be coming to an end, new round of price ineases for oil has brought iem back to the centre of ie world monetary stage.

The accumulated net surus of the Opec countries the end of 1979 totalled out $230,000m. Saudi Ara a and Kuwait are the ost important surplus irners. By the end of this ear they will reach 300,000m. That means that ithin the two years from ie end of 1978, the Opec irpluses will have almost oubled.

In practice, the Opec surus is a surplus of Arab iuntries. Outside the Arab orld, only Iran compares significance with the rge Arab producers as an porter of oil, and that untry's expenditure on its vn development has eaten its foreign exchange rnings. For practical purises, the Opec surplus is w, as it has been since the oil price increase in 1973, an Arab phenomenon.

For every surplus there is a deficit somewhere else; and the role of the international financial system throughout the 1970s was to funnel money back from the Opec nations with surpluses to the developing and industrial countries which had deficits. By a roundabout route, the Opec countries were allowing the rest of the world to buy oil on credit. The technical term for this channelling of funds is "recycling" and most of the task in the past seven years has been done by the international banks, with American banks firmly in the lead.

No one could deny that they performed this task with great efficiency. Large sums of money were channelled to the developing countries which were the hardest hit by the oil price rises. When, in the late 1970s, there were some signs that the American banks were worried about becoming too involved in the business of refinancing, the banks of other countries such as Germany and Japan stepped in to fill the gap.

The commercial banks have been the main intermediaries between the Opec countries and the rest of the world. But there are now signs that, just as that role is becoming more important, the banks are deciding that they cannot go on fulfilling it.

The most difficult problem for the banks is that of success. They have attracted so many Opec deposits that the ratio between the funds which they manage and their own capital has got badly out of line. Banking is all about prudence; and prudent banking requires that banks should have adequate equity capital to cover the risks that flow from lending. The main American banks have faced a difficult squeeze over the past few years. At the same time as their deposits have been swollen by foreign money, they have found it very difficult to expand their equity base through issuing new shares. The increased foreign business has meant rapid growth for the banks, but it has not been particularly profitable. So the United States financial market, which takes a tough view of these things, has been unwilling to take up share issues.

There are unconfirmed suggestions that some banks have actually been turning away money offered to them by Opec depositors. That may be just a response to short-term problems of banks' balance sheets. But there is no doubt that in the coming years there will be a much greater resistance by banks to the seeking out of Opec funds.

This will be matched by a growing reluctance to lend on to developing countries. It is not just the overall size of their deposits from Opec countries which is beginning to worry the banks. It is also the way in which their lending is beginning to look unhealthily concentrated on a few, rather risky countries.

The internationalization of American banks was one of the most striking banking phenomena of the last decade. At the beginning of the 1970s, foreign assets accounted for about 11 per cent of the total assets of American banks. At the beginning of the 1980s, the figure was up to a third. But even that is an underestimate. For it includes a whole range of small banks whose horizons do not stretch outside their own town, let alone their own country. For many of the biggest banks, which are the ones which count in international lending, more than half their assets, including loans, are now overseas.

Nor are these overseas loans widely spread. For the United States banks, seven big borrowers accounted for 45 per cent of the total loans to countries outside the Group of Ten biggest industrial nations. In banking terms, those countries, including the biggest borrowers like Brazil, now have too big a proportion of the banks' funds.

Into this picture of growing difficulties for the world banks, the crisis over Iran has injected a new and much more intense uncertainty. The dominant means of financing developing countries in recent years has been the syndicated loan, in which a number of banks club together to put up money for a country which seeks to borrow.

The whole basis of these loans has now been called into question by the repercussions of United States *sanctions against* Iran. For because some American banks froze Iranian assets, loans made to that country did not have interest paid on them and moved technically into default. This puts in question the whole concept of the syndicated loan.

All of these factors have led the commercial banks to argue that they cannot be expected to carry the burden of recycling oil money to the same extent in coming years. The clear conclusion which follows is that if the private banking system cannot perform the task, official mechanisms will have to be found. The International Monetary Fund has, by past standards, considerable resources at its disposal. But the resources are not large compared to the tasks which it will face in the years to come.

If the official bodies do not succeed, we face a series of defaults by developing countries which could have very severe repercussions for the whole of the international banking system.

David Blake
Economics Editor

The fast-changing face of Dubai's celebrated Creek. New commercial institutions loom over the traditional trading craft.

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A street banker in Al Manamah, Bahrain, one of an intricate network of dealers offering a personal service.

A fast flexible service for the man in the street

About a month ago, when the Israeli Government turned its pounds into shekels, anxious Israelis, uncertain as to the value of their new money, hurried along to the Arab money-changers in the old quarter of East Jerusalem. On arrival, they found the little shops shuttered and deserted. Arab money-changers, like the famous Saudi Arabian family of al-Rajhi, have been in business long enough to know an unnecessary risk when they see it.

Had the shops been open that day, however, their service would have been much more complete than the modest premises might indicate. Ever since the dawn of Islam, the Middle East has been covered by an intricate network of personal connexions. In the nineteenth century, when the trading currency of Eastern Arabia was the Indian rupee, it was possible for a merchant in Muscat to cash a bill on a merchant in Dubai with confidence. Every day, the messengers from Muscat set out across the desert to present their claims on merchants in the Trucial States and as far afield as Kuwait and Basrah.

Much of that network survives to this day. It is estimated for example that North Yemen earns about $1,000m a year from citizens working in Saudi Arabia. But the figure is only an estimate because it all passes through the hands of the Yemeni money-changers, and appears nowhere in the national accounts. Adhering to the old Sharia laws prohibiting interest, money-changers throughout the Arab world provide a speedy, flexible, and reliable service, with a turnover of millions of dollars.

If one is considering banking and financial services in the Arab world as they affect the ordinary person, it is important, therefore, to remember that banking in the Western fashion is both recent and still outside popular needs and experience. The kind of institutions which catch the eye, whose glossy façades line the streets of Dubai or Amman, or increasingly of European and American cities, are essentially the link between big business inside and outside the Arab world. Their services are useful to the rich, but much less accessible to the majority, who are cash-oriented.

This is not to say that Western financial institutions are not firmly established in the region. Far from it. As the impact of the European powers on the Middle East became irresistible after the First World War, several banks emerged to meet the needs of trade.

Then, as now, they fall into two groups: those which were extensions of Western companies, such as the ubiquitous British Bank of the Middle East, almost a synonym for banking in the region; and indigenous banks, the best-known being the Arab Bank, started by the Shoman family in Palestine in 1930, and the National Commercial Bank, founded in Jiddah nine years later.

Outside the Middle East both these institutions, important enough in their way to rival the giants of Western banking, remained obscure until the oil boom of the last decade. Since then, the old houses have expanded rapidly alongside the new, spawning a multitude of bodies: commercial banks, investment banks, stock markets, and even a few insurance companies.

Not all countries have participated in the boom equally, however. Either they had no oil, as in the case of Morocco, Tunisia, Egypt and Jordan (though the last two have recently become minor producers) or they had long since nationalized the banks and abolished other financial institutions. The banking and financial explosion of the 1970s is exclusively the preserve of Arabia, Iran, and service centres such as Beirut, until 1976, and subsequently Amman.

Where the boom has occurred, it has been spectacular. Bahrain now boasts about 60 offshore banking units, and is the main meeting point in the region for bankers from all over the world. With OBU assets worth about $25,000m, the island is one of the biggest centres internationally.

Although Bahrain has undoubtedly gained from the sad demise of Beirut, now almost wholly fallen from glory, it would in any case have been strategically placed to finance Gulf trade and to handle personal and public fortunes from oil.

Across the water, Dubai has retained its reputation as a merchant's paradise by liberally issuing banking licences to local businessmen. Three years ago, unfortunately, the policy led to some near-failures and a number of banks were forced to close their doors temporarily. After a series of difficulties affecting the UAE Currency Board, the emirates never recovered in the race with Bahrain for business. A central bank has yet to be set up.

Overshadowing both these centres are the untested financial giants of Kuwait and Saudi Arabia. Both are awash with liquidity, but the banks can only sit and watch their assets grow as the government restricts their activity outside the country and excludes foreigners. The National Commercial Bank's assets soared to 33,448m rials (£4,367m) in 1978 with a further substantial increase expected in 1979, partly *because of the Saudi Arabian* Monetary Agency's conservative reserve requirements, but also because outlets for capital at home are small. Major development investment is financed by the Government, while those merchants who place their money with the banks are often prosperous enough not to need bank capital.

Nevertheless, some outlets have been found overseas. Arab banks, including consortium banks such as Union des Banques Arabes et Françaises and Banque Arabe et Internationale d'Investissement, have been very active on the Euromarkets. Loans were made last year to Sweden, the Philippines, IBM, the Royal Bank of Scotland, Portugal, Idonesia, Panama, the national power company of Iceland and Petrobras. The Gulf International Bank, which is based in Bahrain and equally owned by the governments of Bahrain, Iraq, Kuwait, Oman, Qater, Saudi Arabia, and the UAE, is managing or co-managing loans running at about $3,000m a year.

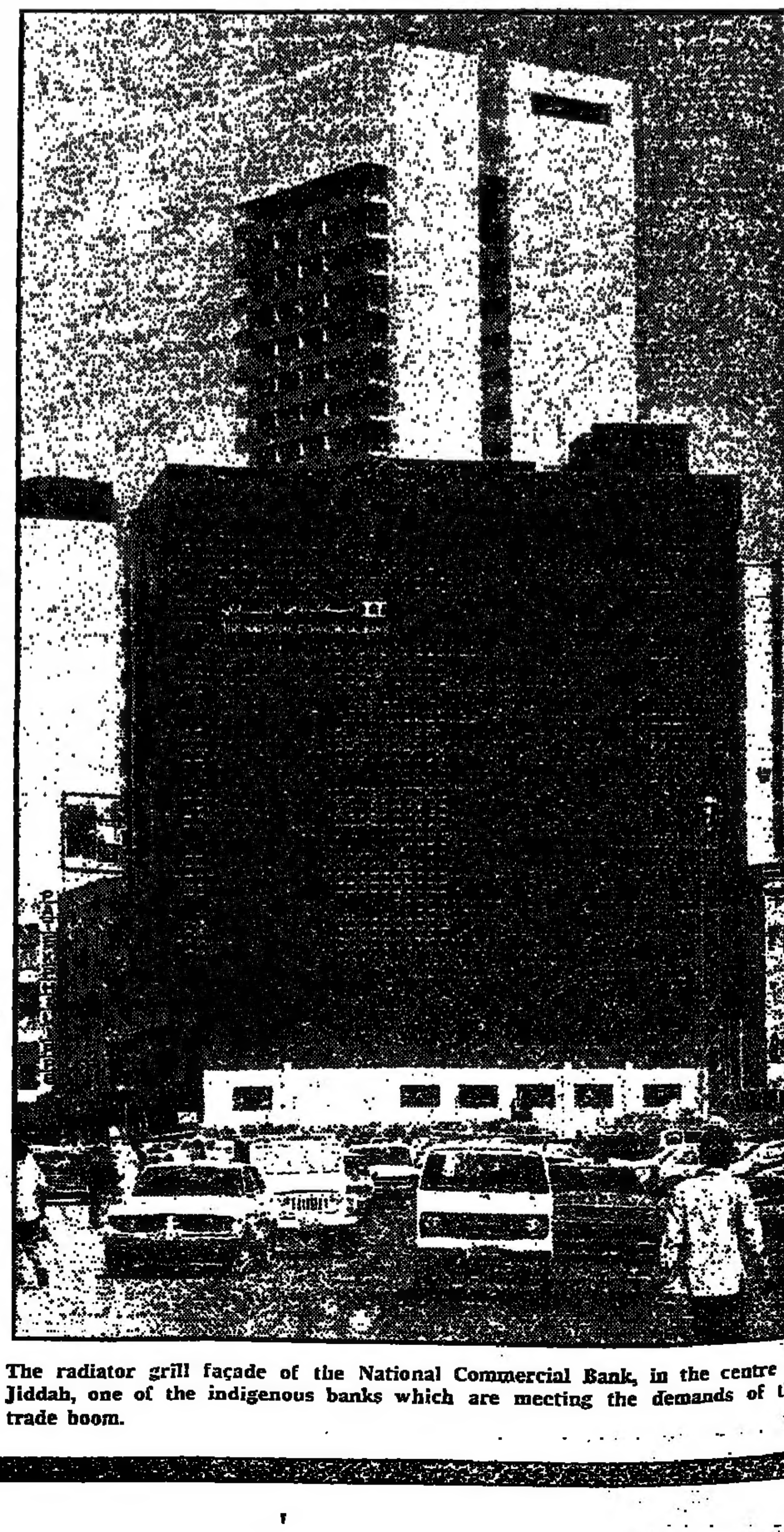
Kuwait is the home of an expanding international bond market denominated in Kuwaiti dinars. Last year saw 13 issues, valued altogether at KD105m ($490m). At the moment, however, the market is *struggling a little in the* face of high foreign interest rates. The emirate also has a stock market, but it is not much more than a diversion for rich merchants because only a handful of Kuv companies are quoted.

Without doubt, banks and investment i tutions such as t dominating business— Kuwait have devel rapidly in the new circ stances. But so far have not generated fo which are innately Arab.

On the contrary, so cerned have they often to gain international re nition, that some ban *say the real centre of* banking is in Europe America. Only Islamic b ing, which has grown si icantly, is a real alterna but that is not exclusi Arab.

The main demand Arab banking is to pro a link with the countrie which clients can in their burgeoning fortu All institutions which not strictly banks, like Sharjah Group, are also marily directed to that Sheer financial resou will probably ensure i national acceptance, as tinct from just makin mark. But to realize t full potential Arab b will have to break free f their governments. M while, the man in the st will go on visiting friendly local mo changer.

Michael Pr



The radiator grill façade of the National Commercial Bank, in the centre o Jiddah, one of the indigenous banks which are meeting the demands of th trade boom.

Uninspired candidates set Florida talking of icicles and oranges

From David Cross
Miami, March 10

After the *snows* of New England, presidential candidates used to find it very agreeable to travel south to the sunshine state for one of the country's first southern primaries.

After all, Florida was the state whiche helped to thwart the ambitions of such presidential hopefuls as Senator Henry Jackson, Mr Hubert Humphrey and Mr Edmund Muskie. In 1976 it played a major role in the securing party nominations for Mr Jimmy Carter and Mr Gerald Ford. Both men pulled ahead of their major rivals here.

This year, however, things are different.

The various presidential candidates have hardly been seen in the state, except on television. And the professional politicians are none too pleased about what has developed into something of a presidential backwater.

The voters are more interested in talking about the sudden frost last week which left icicles hanging from the orange groves, than the likely outcome of tomorrow's primaries.

The reasons for the general apathy which has surrounded the race to the White House here are clear. With the exception of Mr John Anderson, the liberal member of the *House of Representatives from* Illinois, those candidates still competing for their party's nomination are regarded as too uninspiring to awaken any great passions.

Most important of all, the likelihood of an upset when the votes are counted tomorrow is fairly remote. The pundits have long ago decided that the two front runners, President Carter and Mr Ronald Reagan, the former Governor of California, will simply reinforce their positions.

The only real question which remains is how well Mr George Bush, *the former* Director of the CIA will fare. He has long perceived Florida as his best bet in the South and he has spent large sums of money to build up an efficient organization in the state.

Much of the groundwork for his campaign here was laid last autumn when *Florida Republic*ans held a series of party caucuses to demonstrate their *preference for the presidential* nomination. In the non-binding straw poll, Mr Bush finished a *surprisingly strong third* behind Mr John Connally, the former Governor of Texas who *withdrew from the election* campaign last night after his poor showing in South Carolina.

Recent opinion polls here have shown that Mr Bush's powerful finish last autumn and early successes this year have carried through into March. Indications that he might even beat Mr Reagan, however unlikely this still appears, persuaded him to readjust his campaign schedule at the weekend so that he could spend a couple of days canvassing votes in the various parts of the state.

Yesterday he spent a couple of hours tramping the streets of Little Havana, the Cuban exile colony in central Miami, wearing a dazzling white Spanish style casual shirt and speaking to passers by in halting Spanish.

The Latin American community was celebrating one of its carnivals and Mr Bush rose to the occasion by unveiling his impeccable conservative *credentials.*

"I will not be taken by Fidel Castro (the Cuban leader)", he told a cheering crowd who had stopped dancing when one of Mr Bush's campaign aides grabbed the microphone from the lead singer of a Cuban rock group. "I am for a strong military and for the CIA", Mr Bush added.

His Republican rival also found time to take advantage of the festivities. Accompanied by shouts of "viva Reagan", the former governor laid a wreath in front of the Bay of *Pigs monument and condemned* President Carter's policy of "accommodation" with Mr Castro.

Mr Bush and Mr Reagan were the only two Republican *candidates of* any stature to campaign heer in recent days. Mr Anderson, who emerged as *the only other leading con*tender from last week's primaries in Massachusetts and Vermont, toyed with the idea of coming here but preferred instead to concentrate his effort on next week's primary in his home state.

On the Democratic front, Senator Edward Kennedy graced Florida with his presence for just one day. When it became abundantly clear that he had no hope whatsoever of making any significant headway here against President Carter he switched the focus of his campaign to Illinois and New York.

In last Autumn's straw poll among Florida Democrats, Mr Carter trounced Mr Kennedy by a three-to-one margin and that was before Mr Carter's new found popularity in the wake of the crises in Iran and Afghanistan.

Some politicians here believe that Mr Carter's huge gaffe on the Middle East in the United Nations Security Council will lose him votes among the ormer New York Jews who have come south to retire.

Two other southern states also hold their primaries tomorrow and there is little doubt who the victors will be. Mr Reagon and Mr Carter willl both win handsomely in Georgia and Alabama.

Ford popularity: Former President Gerald Ford leads Mr Ronald Reagan?36 per cent to 32 per cent—among Republican voters asked which candidate they would prefer for the presidency this year, in a poll published today. It was conducted for the ABC Television network by the Louis Harris organization (Patrick Brogan writes from Washington).

Among Republican voters, Mr George Bush comes third, with 12 per cent and Mr John Anderson fourth, with 10 per cent. When Republicans and independents are polled together, the figures are Ford 33, Reagan 27, Anderson 15 *and Bush* 14 per cent.

The same poll shows Mr Ford comfortably ahead of President Carter, 54 per cent to 44. But Mr Reagan far bebind him, 40 per cent to 58.

South Carolina Primary, Table of Results

Reagan, 78,854 votes	(54%)
Connally, 43,040 votes	(30%)
Bush, 21,458 votes	(15%)

Mr Reagan won all 25 delegates to the Republican National Convention.

Quebec in run-up to referendum on future

From Anne Penketh
Montreal, March 10

The referendum debate in Quebec opened last week. It was the start of a process which will culminate in June, when Quebecers will be formally consulted, for the first time in their history, on the future of their province in the Canadian federation.

The Referendum Act, passed in June, 1978, provides the legislation enabling the Government to hold a referendum and sets out the rules governing the referendum period. Once the final text of the question has been adopted, committes for the "Yes" and the "No" votes will be formed and led by members of the Legislature who register in favour of one or other of the options.

Hence if Mr Pierre Trudeau, the Prime Minister of Canada and a voter in Quebec, came to Quebec to supoort the "No" vote, he would have to do so through the appropriate committee.

The debate now taking place in the Legislature, with a 35-hour time limit spread over three weeks, is in theory on the question *itself*, but the Parti Québécois has been taking advantage of television *to advance its arguments for* what it calls "sovereignty association".

It has been left to the Liberal opposition to criticize the wording of the question which Mr *Claude* Ryan, *the* leader of the "No" committee, called "dishonest and fraudulent". He *proposed* that its long preamble, which defined sovereignty association, should be simplified if not eliminated, and that voters should be given a straightforward option.

Mr René Lévesque, the Quebec premier, opened the debate with a rather subdued speech in which he outlined the historical perspective to sovereignty association and reassured voters that a "Yes" vote in the referendum would not effectively abolish Canada. All the Parti Québécois members have taken their cue from him, pointing out the advantages of a politically sovereign Quebec that would still maintain economic links with the rest of Canada.

In a carefully plotted strategy the Parti Québécois concentrated for the first week on economic affairs and will move on to discuss the constitution this week.

Allotted half the time given to the PQ, the Liberals have been less organized and united in the debate, reacting for the most part to the statements made by their opponents, but two seams have nevertheless emerged. The first is that the question itself is biased in favour of sovereignty association.

"There is no reference to the fact that a "Yes" would lead to a rupture with the federal system", Mr Ryan said. The second main theme developed by the Liberals emphasizes the advantages of belonging to the federation on the understanding that some revision is made in the future to revitalize provin*cial-federal links.*

Tobacco crop ruined

Havana, March 10.—Cuba normally a tobacco exporter, will have to import the commodity this year because blue mould disease has left only 10 per cent of the crop intact, President Castro said last night.

Already in America people are as suspicious of television as they are of their politicians

Los Angeles: booming city on the electronic frontier

From William Rees-Mogg
Los Angeles, March 10

Despite an incipient recession, high inflation and an 18 per cent crime rate, southern Cali*fornia is still a boom area.* Last Sunday's *Los Angeles Times* ran to 522 pages, divided into 23 different sections.

In the real estate section, one agent was offering three houses in Beverly Hills priced at more than two million dollars. The publisher, Mr Otis Chandler, who is to be succeeded by Mr Tom Johnson next month, *announced* on the front page of the business section a $215m expansion programme, including *the construction of a second* satellite printing plant in the San Fernando Valley, and conversion *to offset printing at the* downtown Los Angeles plant.

"Offset printing", the announcement states, offers "faster, more flexible type setting and composition methods, and clearer, cleaner appearance of newsprint."

The prosperity and growth of the *Los Angeles Times* reflects the prosperity and growth of the Los Angeles community. The *Los Angeles Times* is, however, one of the few American papers that has used its prosperity to provide a more international and more serious coverage.

The lead story last Sunday was written from Beirut on the relationship between the European Community and the PLO. Immediately under the lead was a double column story from William Tuohy, their staff writer in London, on Mrs Thatcher's attitude towards the replacement of *Polaris*. The front page contained three international, two economic, one legal and one construction industry story. That is a serious front page for a Sunday edition with a circulation of 1,344,000 in a single area, and it certainly justifies the *Los Angeles Times* claim to be regarded as one of the major serious newspapers of the world.

The *Los Angeles Times* is probably the institution which does most to define and describe the Los Angeles area. It is odd that it should be so be*cause Los Angeles is an elec*tronic rather than a print city. Indeed it is the electronic city of *the world.* An *important* part of the prosperity of the area is based on the electronic *industry* proper and Los Angeles is unique in the combination of its research and *manufacturing* role in advanced electronics, and its post-Hollywood role as the originator of *much of what* appears on television. It invents systems of information, makes them and *uses them.*

The people who are most involved in electronics are most *aware of the possible social* dangers of their work. When I visit Los Angeles I naturally call on Systems Development Corporation, whose electronic composing room has been bought for *The Times*. One of their executives has volunteered to teach the economics of free enterprise—how the business system actually works—in a local high school. Its class is 60 per cent black, with the remainder largely Hispanic or Asian. It is a poor neighbourhood, though employment *is good. In that class less than* half come from homes which take a newspaper.

His students derive their knowledge of the world from television, and apparently watch the local rather than the national news programmes. They are not hooked on the grey and statesmanlike tones of Mr Cronkite. Los Angeles has recently had a number of big local news stories; floods came and swamped the sewage works, and left 200 miles of Pacific beaches public health hazards. The local news hour, from six to seven, is strong on such news but does not apparently give much of a world picture at the best of times.

Systems Development are now starting to take orders for a new invention, which they demonstrated to me, in electronic filing systems. It has definite advantages over a paper filing system, particularly in; terms of recall. It can select all the references to a particular subject contained in the system. It is however, an alternative to a paper filing system; there is a choice between electronic and text methods; I suppose electronics, with its higher productivity and greater range of information, is going to win many of the battles, certainly in office organization.

Yet it is difficult to say that one knows something that has appeared on the screen in the way that one can learn something that has been written down on a piece of paper. There is real information loss to balance the real information gained. The people of Los Angeles are uneasy about the education of their children. Are they becoming too dependent on the vivid presentation of limited pieces of visual information? Are they losing the capacity to build knowledge that book learning used to give? Are they manipulated, politically, commercially and even *morally* by television?

Los Angeles is a strangely fluid society, living on the *open* electronic frontier, lacking in definition and roots, but generous to all possibilities. *Some of its admirers* call it a crazy city. In fact it is a city which seems to enhance the creativity *of the* mature, but can endanger the development of the immature. Neither *in its* architecture *nor in its ethics* is one conscious of boundaries; the absence of boundaries creates a *simultaneous* sense of opportunity and danger.

Certainly the people of Los Angeles have *acquired* the equivalent of a street wisdom about the electronic media. The most *interesting item* I have seen on television here was an analysis of the symbolism of the *commercials* put out by candidates in the primaries. Most of the commercials are very funny, *being both* pompous and inane, but they become more interesting when one turns from the candidates in the foreground to the background scene.

The candidate often appears with a child or children—being a good family man. He is sitting in a library with leather bound books—he can read. He is behind a desk—he can write. He is wearing horn-rimmed spectacles—he is an intellectual. They are made of plastic —he *is* concerned with the ecology of turtles. He has the stars and stripes tastefully draped just in camera shot—don't we all fly flags in our libraries? He has a bright coal fire burning in the grate—he is a warm hearted man who believes in the traditional values, possibly including air pollution.

I do not think this works in the rest of the United States. I am sure it does not work in Los Angeles, where too many people are too aware of what is being put across to them, are too conscious of the skills of manipulation. Already in America people are as suspicious of television as they are of their politicians. As far back as 1978 the National Opinion Research Centre found that only 14 per cent had "a great deal of confidence" in television; only 13 per cent had confidence in Congress and government, while 21 per cent had confidence in the press.

When one gets away from the media to the ordinery American, one finds that he has an independent and entirely reasonable view of the matters that reach to him. When I went to the Getty Museum on Saturday morning, I asked the taxi driver whom he would like to see as the next president. "Ford", he said, "because he is an honest man and did a good job cleaning up after Watergate".

That at least is the sensible view with the merit of being true to the facts. Yet as for the presidential candidates in general, the view in Los Angeles is the same as in San Francisco.

In the words of Governor Brown, the father, not the son, "they don't like any of them".

I am afraid they do not.

A parched land faces new Thai Premier

From Neil Kelly
Bangkok, March 10

The worst drought Thailand has known for 10 years is confronting General Prem Tinsulanonda, the new Thai Prime Minister, who is still trying to form his first Government.

More than 8,000 square miles of rice, maize and fruit have died or are dying in the central plains, the main agricultural area. Water for farming has dropped by half. This will reduce the second rice crop to a fifth of its normal yield.

Government departments are trying to find work for farmers forced to abandon crops.

Waterworks in several areas north of Bangkok have ceased operating because their sources have dried up and water levels in the two largest hydro-electric dams are almost at the point where no more water can be released to generate power. This has lead to official warnings of nightly blackouts at the peak evening period in Bangkok in April and May.

General Prem, hoping to form his Government later this week, has ordered stronger anti-aircraft defences to the Kampuchean border. A military spokesman said Thai aircraft flying in their own airspace near the border recently came under ground fire from inside Kampuchea.

He said Thai forces would in *future* retaliate against such attacks.

General Prem also announced that conscription into the army this year would be increased by 6 per cent.

In a separate statement, the Thai Supreme Command said yesterday that Vietnamese forces had used some form of gas against Kampuchean guerrillas near the Thai border. Major-General Korbboon Pattanabut said the gas produced dizziness but had caused no deaths to his knowledge.

Sri Lanka affected: About 150,000 acres of prime tea in central Sri Lanka is threatened by drought, the worse the country has suffered this century, an official spokesman said today.

Production over the last month has dropped by an estimated 40m pounds. Hydro-electric power supplies have also been affected and the Government has asked people to restrict their use of electricity and water otherwise they face cuts.

Japanese quins

Kagoshima, Japan, March 10.—A woman gave birth to quintuplets at a Kagoshima hospital *today*, and *doctors* said the babies, two boys and three girls, were in good condition. They said the mother had taken fertility drugs.

Mr Demirel promises unrelenting war against Turkish terrorists

From Sinan Fisek
Ankara, March 10

Mr Süleyman Demirel, the Turkish Prime Minister, today concluded a series of three press conferences aimed at explaining the first 100 days in power of his conservative minority government with the promise that "he will make terrorists sorry they were ever born".

Mr Demirel's first two meetings with the press at the weekend were to explain his recent economic measures—liberalization, new openings to foreign capital and a massive devalua*tion and future investments.*

The political violence which has claimed about 3,000 lives in *slightly* more than two years was today's topic. "Our greatest achievement in this field", he said, "*has been to establish* the will of the state to fight against its enemies.

"If we have not met with total success in the first 100 days of our fight against the conflagration . . . the reason is that the flames are much too high and that we ahve not yet had sufficient time to obtain the necessary results after having instilled the will and the cooperation required to combat terrorism".

Another important achievement of this three-and-a-half months old government was the arrest of 2,599 people, "militants or leaders of underground terrorist oraganizations". This would allow for "terrorist groups, and not only indivi*duals, to stand trial before* mbartial law courts".

Mr Demirel said that the names of about 3,000 people who had escaped from prison over the past few years would soon be announced *over the* state radio and television network. "If they do not give *themselves up within a month*", he added, "they will be shot on sight".

No one *should be surprised* by his harsh tone concerning terrorists, the Prime Minister said, asking: "What am I expected to do? Send them flowers?"

"Those who shoot the soldiers, the policemen and the gendarmes of the state will suffer at our hands", he said. "It is unthinkable that the state should cringe with fear before a handful of thugs and murderers."

Taking Istanbul as an example of the army's role in attempting to maintain law and order, Mr Demirel said: "There are *11,000 streets* in Istanbul. Fifteen thousand soldiers, 700 non-commissioned and *commissioned* officers and 15 generals are at work to make these streets safe for the people. *We will do everything* in our power—not only the government—but the nation as well—to *ensure* their *success*."

Mr Demirel said that he had not been able to find common ground with the main opposition, the social democratic Republican People's Party (RPP) led by Mr Bulent Ecevit, *the former* Prime Minister, to enact a new state of emergency law and to reinstate the State Security Courts.

"The martial law tribunals now functioning," he said, "re*ceive* an average of 80 new cases a day, but can only reach judgment on eight. This means that we are *still* a state which is unable to mete out punishment."

Mr Demirel also criticized Mr Ecevit for having given amnesty to former political offenders of *the 1971 to 1973 period of mili*tary rule in Turkey, whom he blamed for the fresh wave of violence.

Observers here thought it unlikely that Mr Demeril's statements would *receive* the backing of Mr Ecevit, whose party still holds the largest number of seats in Parliament.

It was unlikely to see, for example, how the RPP could *condone Mr Demeril's* statements today that the state intelligence organisation MIT *should be more domestically*-orientated, they said.

Mr Demirel told the press: "*It is unthinkable* that the intelligence service should be aware of tribal conflict in *Angola and not of what* is happening right under their noses in Ankara itself."

The violence, meanwhile, continues. Terrorists in Istanbul opened fire on a crowded shopping area, this evening, killing, according to first estimates, at least four people.

Reforms in El Salvador likely to inflame right

From Stephen Downer
San Salvador, March 10

If El Salvador did not havo such a long history of violence, the agrarian reforms introduced last week by the ruling junta could have been expected to defuse an explosive social and political situation. As it is, many people fear that the reforms will increase tension.

The junta of two colonels and two civilians—a third civilian resigned last Tuesday, apparently because his life had been threatened—had no choice but to make the changes.

When it took power on October 15, after President Carlos Humberto Romero was overthrown in a bloodless coup, the junta promised "to adopt measures that will lead to an equal distribution of national wealth and, at the same time, increase the gross national product's growth".

They were in a hurry because feuding extremists from the right and left were involving the country in increasing violence.

Encouraged by the United States, the junta pushed through *the reforms, changing in a brief* flurry of pens, the history of Central America's smallest country.

Such was the dominance of an elite group, that an American journalist wrote a year ago that El Salvador was run by 14 families.

In 1932, when peasants, students and workers banded together, the Government sent the Army to quash them. About 32,000 people were killed.

Landowners later established organizations to hunt down and murder alleged leftist agitators.

In the past few years popular groups have become increasingly militant, engaging in kidnappings, bombings and murder.

On Thursday, the junta expropriated 376 of the country's largest farms and announced that the land would be turned over to peasants' organizations. Expecting trouble, the junta also declared a 30-day state of siege, suspending all constitutional guarantees.

"The amount of land involved is 224,083 hectares, about 60 per cent of El Salvador's best farming land. Compensation will be paid, the junta announced, in "agrarian reform *bonds*". However, many of the former landowners are expected to lose heavily because compensation will be based on the value of the properties declared to the authorities in 1976 and 1977. Many were apparently undervalued.

The expropriation delighted *leftists, some of whom* started occupying farms illegally late last year. However, there are fears that the *reforms could* bring about a violent repression of the peasants by people who refuse to accept *change.*

The apprehension of moderates who favour the reforms *stems* from the fact that, since last year's coup, repression by the Army and other security forces allegedly has increased.

Churchmen and intellectuals estimate that 600 people have been killed this year, 500 of them from the left.

The junta, which includes a Christian Democrat and an independent, claims the security forces have been provoked by "intransigent members of the left and right".

Colonel Adolfo Arnoldo Majano, a member of the junta, said: "We respect their right to dissent but this expression should be manifested within the limits of political struggle and not of violence."

He added: "We are seeking a genuine democracy, which has a deep sense of social justice."

University staff held in Tokyo over exam papers

Tokyo, March 10.—Waseda University of Tokyo, one of the most important private universities in Japan, has found itself involved in a scandal over leaking of entrance examination questions.

Three university employees were arrested last week on charges of stealing printed test papers on four subjects for the commerce faculty and selling them to *10 candidates* for a total of about £176,000. A professor at the university has admitted *being involved* in the case.

A Japanese businessman is *alleged to have* offered about £35,000 as a reward for stealing the test papers. The university *is one of* the most difficult to enter in Japan.—Agence France-Presse.

Turin arson attack

Turin, March 10.—Four armed left-wing extremists broke into a property company's offices here today, scrawled on the walls, and set fire to it before escaping.

China's aging leader urged to hand power to young

Peking, March *10*.—China's Communist Party newspaper today called for aging Chinese *leaders to hand over power* gradually to younger people in order to ensure a stable succession.

The *People's Daily* said in a front-page editorial that "old *comrades*" *had a responsibility* to pass on their experience to younger cadres so they could carry out China's modernization programme.

"A good way to pass on experience is to let a batch of selected young people occupy the front line while old comrades withdraw to the second and third ranks", it said.

The editorial emphasized the importance of collective leadership, and gave a warning against promoting biased people or opportunists who would agree with anything *just to* get to the top. "In the past the emphasis was on individual succession, and *not collective* succession", it said, adding that there should be a smooth and *stable transition and not* an abrupt change.

"We must *increase* our vigilance against those political opportunists who set their *sails according to the prevail*ing wind and on questions of principle do things only to *please those in charge*", the editorial added.

Mr Deng Xiaoping, the senior *Deputy Prime Minister*, is reported to be concerned about ensuring the right kind of successors at all levels, as Communist leaders who fought during the revolution gradually die off.

At a recent meeting of the party's Central Committee a new secretariat was set up to handle the party's day-to-day affairs. Its 11 members were mostly in their early sixties, which is young by *Chinese* leadership standards. Mr Deng himself is 76.—Reuter.

Cardinal's visit: Cardinal Franz König, the Archbishop of Vienna, arrived in Peking *today, where he is scheduled* to have high level talks. He is the second Roman Catholic car*dinal to visit China in the past* few days.

Mrs Gandhi seeks prices aid for small farmers

From Kuldip Nayar
Delhi, March 10

Mrs Indira Gandhi, the Indian Prime Minister, called upon the United Nations Food and Agriculture Organization (FAO) to work for an international agreement to limit the price of farm raw materials.

Such an agreement was necessary to bring the prices within the reach of small farmers, Mrs Gandhi said at the plenary session of the FAO regional conference here.

The desire to profit from poverty seemed to be strong among the affluent nations and also among "affluent sections of our own population", she added. How else could the enormous rise in the price of essential materials such as *fertilizers during the last year* be explained? "Can the small farmer, who is too poor to buy *inputs* and *too* weak to take risks, afford high costs?"

Mrs Gandhi suggested that countries in the region should turn the difficulties caused by the rising cost of petroleum products into an opportunity to conserve energy and apply recycling methods. The same difficulties, *she* pointed out, had increased the demand for natural rubber, jute, cotton and other fibres.

"In order to roll back the tide of hunger and malnutrition, to raise levels of investment, production and food security for the impoverished millions . . . we must pool our endowments and experiences, and create an enduring machinery of powerful mutual partnership", she added.

How precisely this goal could be reached was the concern of everyone at the conference. India would play its part in such an endeavour, she said.

Mr Edouard Saouma, the Director-General of FAO, emphasized the need for *greater efforts to fight hunger* and malnutrition in order to preserve peace and stability and he commended *the efforts* of India to increase food production.

The conference is attended by delegates from more than 25 countries, about 10 of which have sent ministerial level delegations.

Author allowed to leave East Germany

From Our Correspondent
Bonn, March 10

Herr Klaus Schlesinger, an East German author and his wife, the song writer, Bettina Wegner, have been given permission to leave East Germany for three years.

Herr Schlesinger, aged 43, was *expelled from the* East German Authors' Association last year. The couple are ex*pected to live* in West Berlin.

Other East German authors are believed to have applied for exit permits, but the Government has yet not approved any other applications.

Japanese hostages freed

Tokyo, March 10.—A knife-wielding robber was arrested today after holding 20 bank clerks hostage here for five hours. He had demanded a ransom of more than £500,000. The police said one of the hostages had been injured.

Empires speak alike in mourning their Afghanistan dead

From Robert Fisk
Peshawar

If you stand among the graves of the old British cemetery here, beyond the overgrown Victorian wooden gateway and beneath the rosewood trees with their bazaars of tropical birds, you might wonder how the Russians are burying their dead. How is the Soviet Army inscribing the bleak tombstones of the young soldiers who are dying just north of here in the mountains of Afghanistan?

The British did it in style, of course, although upon their graves the explanation of sudden death is couched in the florid, overconfident language that the Empire unwittingly encouraged.

Take, for example, Major Robert Roy Adams, of Her Majesty's Indian Staff Corps. The former Deputy Commissioner of the Punjab now lies beside the Khyber road, a canyon of traffic and protesting donkeys whose din vibrates against the cemetery wall. *According* to the inscription on his grave, Major Adams was called to Peshawar "as an *officer of rare* capacity for a frontier. Wise, just and courageous, in all things *faithful, he came only* to die at his post, struck down by the hand of an assassin".

He was killed on *January* 22, 1865, but there is no clue as to why he was murdered. Nor are there any *explanations* on the other gravestones. In 1897, for instance, John Sperrin Ross met a similar fate, "assassinated by a fanatic in Peshawar city on Jubilee Day".

A few feet from Ross's grave lies Bandsman Charles Leighton, of the First Battalion, the Hampshire Regiment, who was "assassinated by a Ghazi at this station on Good Friday".

Perhaps politics were left behind at death, although it is impossible to avoid the similarity between these outraged headstones and the sharp language of those Tass news agency reports from Kabul. The great-grandsons of the Afghan tribes*men who killed the British are* now condemned by radio Moscow as fanatics and assassins. One *empire, it seems, speaks* very much like another.

To be fair, the British did *place their dead in some his*torical context. Beneath a squad of trees lie privates Hayes, MacLeod, Savage and Dawes, who "died at Peshawar during the Frontier Disturbances 1897-1898".

Not far away is Lieutenant Bishop, "killed in action at *Shubkudder in an engagement* with the hill tribes, 1863". He was aged 22. Lieutenant John *Lindley Godley, of the 24th* Rifle Brigade, temporarily attached to the 266th machine-gun *company, suffered a simi*lar fate at Kacha Garhi in 1919.

There are other graves, of course, *innocent mounds* with tiny headstones that contain the inevitable victims of every empire's domesticity. "Beatrice Ann, one year and 11 months, *only child of* Bandmaster and Mrs A. Pilkington" lies in the children's cemetery with "Barbara, *two years*, daughter of Staff Sergeant and Mrs P. Walker". She died three days before Christmas in 1928.

There are young men who succumbed to the heat and to disease. *Private Tidey,* of the First Sussex, died from heat-stroke and Private Williams, of the Second Staffs, died of enteric fever.

E. A. Samuels, of the Bengal Civil Service, *died "from fever* contracted in Afghanistan". Matron Mary Hall, of Queen Alexandra's *Military* Nursing Service—whose service in Salonika and Mesopotamia pre*sumably* included the Gallipoli campaign—died "on active service" in Peshawar in 1919.

There are a few unexpected tombs. The Very Rev Courtney Peverley is here. He was the Administrator Apostolic of Kashmir and Kafiristan and he clearly worked hard because beyond the British headstones are new graves for Peshawar's still extant native Christian community, paper crosses and pink flags draped in tribal fashion beside the freshly dug holes.

Many imperial graves exhibit their own self-confidence. The most popular quotation to be found beneath the rosewood trees is from the Book of Revelations: "Blessed are the dead that die in the Lord".

And there is a Gaelic cross on the top of Lieutenant-Colonel Walter Irvine of the North-West Frontier Police "who lost his life in the Nagoman River, when leading the Peshawar Vale Hunt, of which he was master". A Soviet epitaph of this kind is unlikely.

Korchnoi retains initiative in candidates' match

From Harry Golobek
Chess Correpondent
Velden am Worthersee
March 10

The outcome of the quarter-final candidates' match for the *world championship here is still* undecided, with both Viktor Korchnoi and Tgran Petrosian having secured one point each.

Two games have been played so far in this match, which is probably the most important of the quarter-finals as it is generally thought that its winner should win through the whole series of matches to confront Anatoly Karpov, the world champion, next year in a match fr the title.

Korchnoi, the self-exiled Russian grandmaster, won the toss for having white in the first game, which opened on Saturday before a full audience in a small theatre in the centre of this pleasant little spa. He played a kind of Queen's Gambit that transposed into a Grunfeld defence.

The pace of the early part of the game was slow but towards the end of the session Korchnoi launched a massive attack that looked to be winner. But he got into time trouble and on adjournment the position—though still better for him— did not look securely won.

Yesterday, the second game was played with Petrosian, the former Soviet world champion, having white and Korchnoi using with the Nimzo—Indian defence, the short, featureless game wa quickly drawn. Neither player spoke to each other but Petrosian indicated the offer of a draw by signs.

Today, the *first game* was resumed and Korchnoi fought hard to try to extract a draw but after two and a half hours' play he came to me and said: "I offer him a draw". I conveyed this offer to Petrosian who at once agreed.

fashion with two games being played in succession and the next day being devoted to adjourned games, with one free day every seventh day, until 10 games have been played.

Biggest donors to the Third World

Arab aid to Third World nations started 20 years ago, but it is only since the sharp increases in oil prices beginning in the early 1970s that Arab oil-exporting countries have emerged as some of the world's biggest donors. When Kuwait pioneered Arab concessionary aid by setting up its own aid agency, the Kuwait Fund for Arab Economic Development (KFAED), in 1961, it started by lending Iraq $70m. As its global commitment for a whole decade was $200m, this was a very modest sum by today's Arab aid standards.

Now nearly all rich Arab *countries have established* their own aid agencies, providing soft loans and grants to almost all Muslim and many African and Asian countries and beyond. Combined Arab *aid* has increased fast from about $1,300m in 1973, to more than $5,000m a year in the late 1970s. With the forecast Opec current account surplus of $100,000m for 1980—about twice last year's figure—the prospects for more Arab aid are even brighter.

Despite their enormous wealth and rapid modernization, rich Arab states still identify with poorer developing nations. Not only do they share many of their traditions and some of their economic strains but also their future. Oil, their main wealth, is a depleted resource and at the current export rate Arab-proved deposits cannot last more than a few decades.

It is partly because of this that Opec countries have championed the cause of Third World nations in important international negotiations such as the North-South dialogue, now replaced by the Brandt Commission, and the current Unctad debate aimed at improving primary producers' trade terms.

Now developing nations are expected to run a balance of payments deficit of about $60,000m. In less than two years, and with the expected substantial fall in commercial banks lending to the less developed countries, Opec states maintain that industrial nations should, despite their present recession, be able to do more to close the gap between rich and poor countries. They could do this by reducing trade barriers and by participating in the proposed $750m United Nations Commodity Fund to stabilize the prices of 18 primary commodities on behalf of the world's 30 poorest nations.

But above all Opec countries think that industrial nations must be able to increase their concessionary aid. Opec aid now runs at about 3 per cent of members' combined gnp; about 10 *times the rate for industrial* nations, with whom, some argue, the bulk of the responsibility for transferring wealth to developing nations must lie. Although the West now provides about $20,000m a year, its aid still stands at only half of the 0.7 per cent of gnp aimed at by the United Nations for the past decade. The Brandt Commission proposed last month that this target be restated by 1985, and if things go well, it should reach 1 per cent *by the end of the* century.

No one can argue convincingly that most aid, whether coming from Arab states, the *West, the East or even from* agencies such as the World Bank or the International Monetary Fund (IMF), is entirely free from some political *objective*. One important feature of Arab aid, however, is that it is rarely tied to commercial strings. This is because Arab donors do not produce the technology or the equipment required by recipients, so there is hardly any return of disbursed funds to the Arab countries themselves.

Another feature of Arab aid has been the channelling of substantial funds into world and regional agencies such as the World Bank, the IMF, the Rome-based International Fund for Agricultural Development (IFAD), the Islamic Development Bank and the Opec Fund (known as the Opec Special Fund until January 17).

Arab commitments to such funds are estimated to have reached more than $2,000m in 1978, most of which was for non-Arab projects. Moreover, Saudi Arabia alone has pledged $2,500m for the IMF's $10,000m Witteveen facility, the biggest pledge from any country, including the United States, Japan and West Germany. Apart from the Opec Fund and the Jiddah-based Islamic fund, which, *although* not strictly Arab, still receive most of their finances from Arab sources, two regional Arab funds have been set up: the Kuwait-based Arab Fund for Economic and Social Development (AFESD) and the Khartum-based Arab Bank for Economic Development in Africa (ABEDA).

AFESD, which lends only to Arab countries, made only a few new loans since January, 1978, but its commitments between 1974 and 1978 stood at KD 295.3m ($1,090m) of which KD 118.4m was disbursed by the end of 1978. ABEDA, which now *has* a capital of $738.25m, was set up in 1974 and began business the next year.

It lends to only non-Arab *African countries* and *gives* priority to public services and farming schemes. By December, 1978, it had committed loans and grants worth $504.4m, including $221.7m, disbursed by the Special Arab Fund for Africa, whose administration was taken over by ABEDA in April, 1976.

The Islamic Development Bank began work in December, 1976, when its first recipient, Cameroun received a 20-year grant of $7m for a hydroelectric scheme. Commitments in 1979 included loans totalling $90.5m, comprising $32m for oil imports and an oil refinery for Pakistan; $20m for Nigeria's oil imports; $10m for a cement works in the UAE Fujyrah emirate; $10m for Guinea-Bissau's oil imports; $7m for Somalia's shipping fleet; $6.5m for the Bangladesh Industrial Bank and $5m for an electricity network in South Yemen.

In January, 1980, the bank approved two loans for Turkey, one for $12.7m for the electronic industry, and the other, worth $15m, for imports of refined oil products from Pakistan. Although the above *loans* were for a wide range of uses, one common factor, however, is that they were nearly all for Muslim countries.

Unlike other Middle East regional agencies, the Vienna-based OPEC Fund's operations extend to all Third World nations. Since its founding in September, 1976, and up to mid-January, 1980, it committed 164 loans for 74 countries in Africa, Asia and Latin America. It has also committed $435.5m to the IFAD, which *provides* concessionary credit to boost food production in poor countries.

At the Opec Fund's last *ministerial* meeting on January 16, a second replenishment of $800m was approved, thus bringing the fund's resources up to $2,460m. An additional $1,600m, replenishment, raising total resources to more than $4,000m, proposed by Opec oil ministers meeting in Caracas just before last Christmas will be discussed at a finance ministers' meeting in Vienna on May 27.

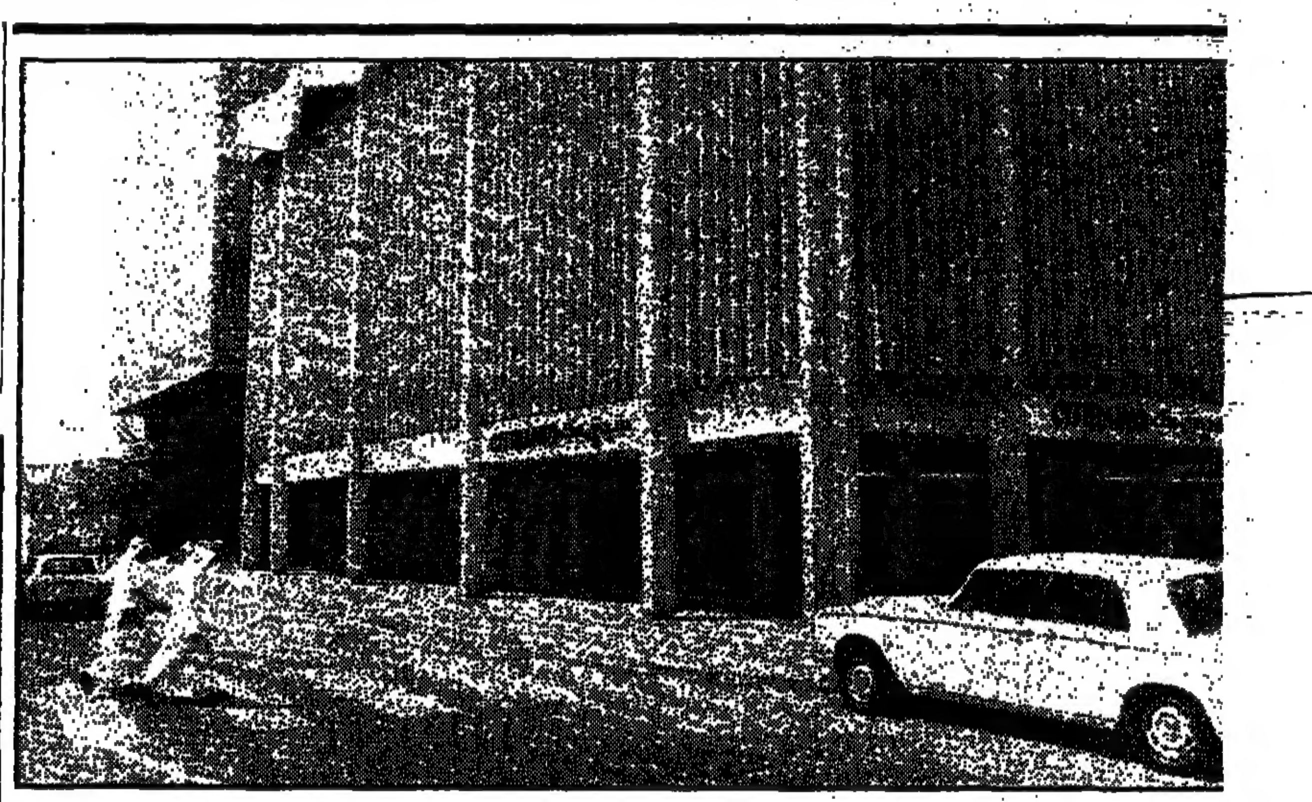
Besides their contributions to regional agencies, Arab countries have also increased their bilateral aid considerably. Saudi Arabia, now the world's second-largest donor, disbursed about SR2,300m ($690m) in 13 loans in the fiscal year ending in June, 1978. They included $250m for Turkey and $92m for Pakistan. Loans are administered by the $2,900m Saudi Fund for Development, lending mostly for 20 to 30 years with a five to 10-year grace period. Another *big* donor, *the* UAE, contributes a remarkable 15 *per cent of its gnp*, with a aid bill totalling abo $1,200m a year up to the e of 1979. UAE aid is mos managed by the Abu Dha Fund for Arab Econom Development whose cipients include countri such as Senegal, Lesoth Comoro and Malta.

Kuwait, the biggest An donor until 1973, has p vided KD617m ($2,300m) to November, 1979, throu KFAED, now lending to bo Arab and non-Arab co tries. Another importa donor, Iraq, has so far co mitted more than $2,200 about 4 per cent of its g in the past six years.

Administered by the Ir Fund for External Develo ment, set up in 1974, in loans scheduled for 1980 clude $200m interest-fr credit for 12 countries, cluding India, Tanzan Mozambique and Vietna Libya, which surprisingly no formal aid fund, was o of the first Arab states provide aid to Arab a other countries. Its offic commitment averaged ab $165m a year recently, w many African and As recipients.

Almost all Arab and O agencies cooperate closely assessing and financing p jects in Third World nati One interesting feature such cooperation is the h number of projects cofin ced with non-Opec agenc By March 1978, for instan Opec agencies, mostly Ar committed about $3,000m 106 cofinanced proje worth $7,300m. The A funds alone—which s scribed nearly 20 per c of cofinancing for the f EEC's Lomé Convention, example—are to continue be the EEC's principal p ners in the second $7,9 five-year convention with African, Caribbean and P fic (ACP) nations which gan on March 4.

Atef Sult



Citibank, one of the post-1973 arrivals in Al Manamah.

Politics govern extent of foreigners' role

It would be easy, jostling with bankers in the Amman Hilton or casually counting the signs along Government Road in Al Manamah, Bahrain, to conclude that foreign banks have taken over the Arab world. That view might readily be shared by many Arabs themselves, conscious of how conspicuously fast Western banks have profited from the oil boom.

But those bustling figures clutching their combination lock attaché cases, and the discreet international logos, such as might stare up at one from the pages of a glossy news magazine, are only the outward manifestations of the Western banks' influence in the region. Business is definitely done behind the tinted glass windows in Abu Dhabi or, in happier days, Beirut, and the bankers compete fiercely for it.

The real power of the Western banks is different however: it lies in their influence over the disposition of investible surpluses, and in the demonstration effect *of spreading Western banking*, and more generally Western ideas. It is probably no exaggeration to say that the banks are the most subtle link between oil exporters and importers.

At the purely financial level, foreign banks—which are mainly Western and Japanese—fulfil three main *needs: financing trade;* channelling surplus revenues from those countries which enjoy them; and satisfying local requirements for personal banking, business finance, and saving by expatriates.

The extent to which these different services, the normal humdrum business of banking, are offered in different parts of the Arab world is almost entirely governed by politics. The more radical states, whose banking systems are wholly nationalized, are practically closed to foreign banks, except occasionally those of communist countries.

Algeria and the People's Democratic Republic of Yemen are entirely without foreign banks. Yugobanka of *Yugoslavia has a representative office in Libya, the only* foreign bank to have a foothold in that severe country, while a compatriot, the Privredna Banka Sarajevo, is tolerated in Iraq. The Ceskoslovenska Obchodni Banka (of Czechoslovakia) has fraternal relations with Syria.

What really sets these countries aside, however, is that on the whole they do not allow foreign participation in banks. Other states, notably Kuwait and more recently Saudi Arabia, both far from radical, insist that nationals should control their banks. Indeed, Kuwait, dedicated to free enterprise, only once broke the rule specifying Kuwaiti ownership of banks when the Bank of Bahrain and Kuwait was *admitted*.

Three years ago its powerful neighbour embarked on a Saudi Arabian-orientation of banks, so that by the end of 1980 all will be 60 per cent owned by Saudis, including the former Arab Bank.

This raises the delicate question of how to define a foreign bank. For those states such as Bahrain, Egypt, Jordan, Lebanon and the UAE, which have open-door policies, the problem does not arise—except when President Sadat excludes citizens of countries opposed to his peace treaty with Israel.

But for others it is not so easy. Is the Arab Bank, the doyen of regional banking, founded in 1931 and conservative by anyone's standards, foreign? What about consortium banks such as Bank of Credit and Commerce International, which have Arab backers or partners?

The answer is as arbitrary as much else about the Arab world's relations with outsiders. Only two countries, now that Lebanon is defunct *as a financial centre, have* embraced the whole range of foreign banks, and their experiences have been rather opposed. Bahrain is the showpiece of banking in the Middle East. The number of offshore banking units (OBU's) will probably reach 60 during the year, though since the departure at the end of 1979 of Mr Alan Moore, the British banker who masterminded the OBU scheme, doubts have been raised about the quality of the *licences* now being issued.

Just across the water is the UAE, still without a central bank, and still recovering *from the scandals of 1977* when several banks had to close their doors. Although many of the banks which sprang up after 1973 were Arab owned, *their example*, as in Bahrain, were the most important foreign institutions. They saw that the soaring entrepot trade of Dubai and Bahrain, essentially fuelled by demand from Saudi Arabia, needed financing. In particular, foreign banks were anxious to make up for the deficiencies of the Saudi *banking system* in providing foreign exchange and trade credit.

Now The Gulf, which at the beginning of the 1970s hardly had a *banking system* worthy of the name has one of the highest densities of banks per capita in the world. Most of them are foreign, and they account for much of the business. Their skills, international networks, and reputations combine in formidable competition with *younger Arab institutio* One of the ironies is that t British Bank of the Midd East, or Grindlays Bank, h been longer established w *the merchants of the s* than the National Comm cial Bank of Saudi Arab or The Gulf Bank.

Certainly the example the *old-established* forei banks, and the more rece arrivals such as Citibank Algemene Bank, have help Arab countries to deal wi the enormous liquidity crease since 1973. Many merchant must be gratef to Deutsche Bank or Cha Manhattan for providing safe haven abroad for t funds in these troubl times. Rather than supp capital, their usual role, t banks are probably expo ters of funds from t region.

One interesting and sign ficant exception was Iran, which Western banks, led t the Chase Manhattan, we heavily committed. *It is th* fate of banks not to be love by anyone, and we migh legitimately reflect on ho different events in Iran coul have been *had* the bank been less involved and ho much Western banks hav suffered as a result.

Whatever the answer, it i clear that the role of foreig or Western banks in th Arab world has ultimatel been to integrate a ric financial and trading are into the rest of the interna *tional system. Since in mos* countries of the regio governments contribute th biggest part of gross nationa product, the banks must al ways have their sights on official business, especiall external. But many Aral countries must be wonderin how the nationalism, which excludes foreign banks from internal business, might b extended to external matters as well.

Michael Prest

Articles on this and the following pages examine the role of the banks and other financial institutions in key Arab countries

Saudi Arabia: seeking outlets for surplus

nks in the industrial ıntries are preoccupied ıh the likely extent of udi Arabia's oil revenues s year and, more impor- ıt with the country's cur- ıt account surplus, few re to hazard a guess cause there are so many foreseens.

Revenues will depend as ıch on the price, which is anging rapidly, as on the el of production. That has en running at 9,500,000 rrels a day but, Shaikh ımed Zaki Yamani, Saudi abia's Oil Minister, ently said, production ıy be cut since the pre- iling philosophy is that it worth more in the ound. There is, after all, a ıit to the amount of venues which can be sorbed locally.

Saudi Arabia cannot iintain a high level of oil oduction if it is not aranteed a "reasonable" turn on its foreign investments. The return on Saudi Arabian investments in the West has so far always been below zero, Shaikh Yamani told a business conference in Geneva in February. Here he identified a dilemma which is all the more acute in that Saudi Arabia has been cutting back on development expenditure, so that there are likely to be fewer opportunities for spending the revenues at home.

The exact level of oil revenues is unpredictable. The price of Arabian light crude oil has doubled in the last year to its present level of $26 a barrel. On that basis, a rough rule of thumb suggests that oil revenues will be in excess of $60,000m this year. Estimates last year, based on the June-December price of $18 a barrel, projected that the 1979 revenues would be about $53,000m.

The current account surplus is more of a mystery since it is difficult to estimate accurately what will be needed for internal development and the cost of capital goods imports. In 1978-79 Saudi Arabia unexpectedly overshot its spending target and ran an unprecedented budget deficit of 14,500m rials (about $4,300m).

This seems to have arisen because of the unforeseen costs of some of the large projects under way. Some are so big that even apparently minor changes in equipment costs can make a big difference to the bill. But, as a result, the Government cut back on spending.

The 1979-80 expenditure allocation of 166,000m rials, though 12.6 per cent up on 1978-79 actual expenditure represented a decline in real terms. Work on some projects has slowed, or even halted, and there appears to be a period of reassessment as the Government takes stock of its development objectives and the implications of political events in Iran and Afghanistan.

The recent announcement that investment in the third development plan (1980-85) will be more than 900,000m rials ($268,000m) has nevertheless reassured foreign contractors. The figure is about twice the original planned investment in the last plan and suggests that the slowdown may only be temporary. (Details will not be released until May, so one can only guess at how much of the total will be invested in new projects and how much is required for projects already under way, or for maintenance and staffing.)

Some observers expect a shift from projects like roads, ports and telecommunications to the development of water resources, for example for irrigation and drinking water. Shaikh Mohammad Ali Aba al-Khail, the Finance and Economy Minister, announcing the budget, said that the phase when emphasis was put on basic services should be completed by 1980 and that industry, agriculture and water, oil and minerals would be the investment targets.

Whatever the outcome of the influences acting on the economy, it seems likely that Saudi Arabia will be left with a considerable surplus for which it will have to find outlets abroad. The Saudi Arabian Monetary Agency's (SAMA's) recently-publicized $300m loan to International Business Machines, the United States computer company, may be a portent.

It is not the first time SAMA has lent directly to a corporate borrower. The loan's most unusual aspect was that it was publicized at all since Saudi Arabia prefers to remain discreet about its investments. But the loan was for an exceptionally large amount and may illustrate Saudi Arabia's wish to diversify its assets.

IBM is a triple-A rated (first-class) credit, which partly explains SAMA's interest since the kingdom's traditionally cautious investment policy allows it to lend only to high quality borrowers, like sovereign states or a few companies, most of which are United States registered.

Some Saudi private funds, at least, will find their way to the Euromarkets through, for example, the activities of the two wholly-owned Saudi Arabian banks, National Commercial Bank of Jiddah and Riyad Bank. These have expanded their operations considerably in recent years.

NCB now has more than 70 branches within Saudi Arabia and representative offices in London, Frankfurt, Singapore and Manila, as well as correspondents in the United States and connexions with Latin America.

Riyad Bank, too, has a 60 per cent share in another OBU—Gulf Riyad Bank—set up in 1978 with Crédit Lyonnais. Both banks, along with others in which there is a strong Saudi interest, like Al Saudi Banque of Paris and Saudi International Bank of London, have increased their Euromarket activities. They have recently participated in a $600m loan for Mexico, a $1,200m loan for Brazil, a $425m loan for Indonesia and a $100m loan for the Philippines.

Margaret Greenhalgh

Saudi Arabia (rials '000m)

	SAMA* 1977	SAMA* 1978	SAMA* 1978 (April)	Commercial banks 1977	Commercial banks 1978	Commercial banks 1979 (April)
Reserves	31.1†	43.4†	38.3†	13.0	22.1	17.0
Of which: currency outside banks	16.2	19.2	20.6	—	—	—
Foreign assets	208.3	198.9	191.2	11.3	11.6	12.5
Claims on private sector	—	—	—	10.7	14.4	18.9
Demand deposits	—	—	—	22.2	30.0	28.5
Quasi-monetary deposits	—	—	—	5.8	7.6	8.2
Foreign currency deposits	—	—	—	1.3	1.2	1.4
Foreign liabilities	—	—	—	4.3	6.1	5.6
Government deposits	133.8	113.0	110.3	0.4	0.8	1.1
Capital accounts	—	—	—	1.3	1.9	2.0
Other items (net)	43.4	42.6	42.7	−0.3	0.6	1.0

*Saudi Arabian Monetary Agency
†Reserve money
Source: IMF

UAE: moves to maintain dirham's value

ree themes have minated the finance of e United Arab Emirates ıce the collapse of two nks in May 1977. These e the consolidation of ıancial institutions, the eation of a central bank, d the setting up of a condary money market. ere have been important vances in all three in cent months, but much ll has to be done.

When the United Arab nirates Currency Board s set up in May 1973, the untry had only 20 small nks, mostly in Abu Dhabi d Dubai, the richest of e seven emirates which d united three years ear- r. The board started with remarkably simple and eral policy, particularly licensing new banks, ıich in less than five ars brought to 60 the mber of banks and to 350 the number of bank branches. With a population of 891,590 (in December 1979), about two thirds of whom are expatriates, the United Arab Emirates has a bank branch for every 2,550 residents, a high ratio compared with even some of the small tax-haven islands around the world.

About ten banks account for almost two thirds of all transactions, with construction and trade absorbing more than 60 per cent of domestic credits. But when the construction market began to collapse in mid-1977 after two years of brisk business, it was obvious that there were too many banks and not enough business to go round.

The pinch was felt two years before the construction demise when, in 1975, the currency board enforced a moratorium on new banks and tough restrictions on new branches. "Consolidation" and "corrective actions" have been the catchwords for more than two years now.

Several measures aimed at achieving these objectives have been introduced. First, locally incorporated banks, now numbering 52, must obtain the board's approval before making changes in their paid-up capital, a rule aimed at broadening the shareholders' base. Second, to ensure that banks make adequate provisions against risk, especially in construction, capital account is now considered an important item on a commercial bank's balance sheet. Third, the moratorium on licensing new banks and the restrictions on new branches are to be rigorously enforced.

One interesting by-product of the last measure has been an increase in locally incorporated banks' branches abroad. Five such branches are now operating, and this is seen as healthy development.

Despite these stringent measures, the International Monetary Fund and many local and foreign bankers have for at least three years voiced an urgent need for setting up a central bank, which, they said, would be more successful in attracting to it federal and emirate governments' interest-free dirham deposits. Such a bank would also get those governments to sell it enough foreign exchange to enable it to stabilize the dirham's value abroad—something the currency board has not been able to do adequately.

It was a big relief for bankers when, on November 14, 1979, the President of the United Arab Emirates, Shaikh Zayed, approved the long-awaited decision to set up the country's first central bank. With a capital of 300m dirhams, it is expected to start business soon. In cooperation with the federal finance ministry, the bank will provide, for the first time, full supervision of all commercial banks and other financial institutions. Besides, its work will include fixing the dirham's value against foreign currencies, boosting government bank funds and, of course, issuing currency.

But central bank or not, many officials have been alarmed by the accelerating flight of the emirates' funds to foreign money markets, mainly because of the lack of local short-term investment opportunities other than commercial bank deposits giving an average interest of less than 9 per cent.

Some of the emirates' banks, especially the Abu Dhabi Investment Company and the National Bank of Abu Dhabi, have been prominent in the Euromarkets, both as lead managers and participants. The latter, for instance, lead managed, arranged or comanaged about $790m worth of publicizing loans and $200m worth of bonds in 1978, and $340m worth of loans and $175m worth of bonds in the first nine months of 1979.

One important move towards diversifying domestic investment opportunities was made in January, when secondary market certificates of deposit (CDs) were issued for the first time to discourage the flow of funds to foreign markets. So far two lots of CDs have been issued and the response by short-term investors has been enthusiastic. One issue, by the National Bank of Abu Dhabi, was for 100m dirhams' worth of six-twelve month CDs carrying a fixed interest of 10¼ per cent and 10¾ per cent.

The second, worth 20m dirhams, issued by the Khalij Commercial Bank, was for 12 months with interest fixed for now at ¼ per cent above the Abu Dhabi inter-bank offered rate on January 24 to be reviewed exactly six months later.

The decisions to create a central bank and a secondary market, together with the broader measures for consolidating the banking structure, should help in maintaining the dirham's value, in reducing the rate of inflation (now about 15 per cent), in restricting the outflow of capital for purposes other than payments for imported goods and services and private transfers, and in reducing domestic interest rates to stimulate local investment.

Some of these objectives have been achieved. For example, despite a 1.7 per cent drop in commercial banks' cash deposits in the first nine months of 1979, overall assets rose by nearly 20 per cent and foreign assets reached 10,895m dirhams in September 1979, the highest level for several years.

Another development is that the activity of locally incorporated banks is now increasing faster than that of other banks, so their share of domestic business is rising. While commercial banks' lending to construction and trade continues to absorb about 70 per cent of total credits, advances by commercial banks to industry, including mining and quarrying, are rising much faster—by about a quarter in 1979.

The United Arab Emirates' oil revenues last year are estimated to have exceeded $12,000m, but now that oil prices have almost doubled, earnings in 1980 are likely to be about $20,000m despite the expected cut in liftings, which are now about 1,700,000 barrels a day.

A.S.

ıited Arab Emirates (dirhams m)

	Monetary authorities 1977	Monetary authorities 1978	Monetary authorities 1979 (Aug)	Commercial banks 1977	Commercial banks 1978	Commercial banks 1979 (Aug)
eserves	3,796*	4,259*	3,936*	2,404	2,563	2,094
f which: currency ıtside banks	1,392	1,764	1,837	—	—	—
reign assets	3,419	3,405	3,929	8,098	9,918	10,093
aims on: overnment	1,245	1,177	1,223	1,498	1,907	2,277
fficial entities	12	12	12	713	584	814
ommercial anks	1,199	1,391	1,051	—	—	—
rivate sector	—	—	—	15,819	19,357	21,897
ther financial ıst.	16	22	20	170	210	259
mand deposits	—	—	—	3,822	4,072	3,988
ıasi-monetary eposits	34	10	10	—	—	—
ne and savings eposits	—	—	—	10,291	11,790	11,233
reign liabilities	618	487	481	8,821	10,597	13,525
vernment eposits	1,565	1,418	1,875	2,324	2,503	2,132
ıe to monetary ıthorities	—	—	—	1,192	1,391	1,051
pital accounts	30	30	30	1,867	3,548	4,119
her items	−171	−199	−97	385	628	1,188

eserve money
ırce: IMF

Bahrain: tight margins and brisk competition

For the past five years Bahrain has been the ascending star of Middle East banking, but recently political and economic uncertainties in The Gulf have made bankers rather less confident. Competition between the banks is getting tougher; the years of easy profit are over and margins get tighter and tighter.

The offshore banking units (OBUs) initially prospered as they could provide a cheaper and more efficient service than the local banks. But, as banks in The Gulf have become more effective and governments have taken measures to reduce the OBUs' competitive edge, it is getting increasingly difficult to run a viable operation.

It is far from clear how many banks are making a profit. Officially bankers remain confident and the Bahrain Monetary Agency (BMA) has not been short of applications for licences, but the market is nearing saturation. There are more than 90 banks in Bahrain and more than 50 of these have OBU licences. Assets have continued to grow though not at the rate of previous years. They totalled £27,600m at the end of November 1979 compared with £23,440m at the end of 1978. The assets of small and medium-sized banks are still growing while those of larger ones have fallen a little.

Particularly disturbing for bankers is the damage done to confidence by political uncertainties in The Gulf after the fall of the Shah of Iran and the attack on Mecca's grand mosque. Bahrain's success rested on its good communications and stability; but Shia unrest, which culminated in rioting last September, and the unpopularity of international bankers, who are accused by local newspapers of contributing very little to the island's economy, have undermined this security.

Bankers are also facing pressures from other Gulf states, jealous of the success of people they regard as "suitcase bankers". Another accusation levelled at the offshore bankers is that they undercut interest rates. It is also claimed that Bahrain has attracted money away from other Gulf states, making it very difficult to keep adequate liquidity in the economy.

Offshore bankers reject these complaints. They say they only survive on the deficiencies of the regional banking system. If they do attract more business it is because they are more efficient and helpful. They say that before the OBUs came on the scene, Middle East banks had had things too easy for too long and now the customer will benefit from competition.

What really upsets conservative Gulf central bankers is that the OBUs make it difficult for them to retain tight control of their systems. They allege that not having to maintain a liquidity ratio gives OBUs an unfair advantage—a charge quickly denied by offshore bankers who say they have to maintain high liquidity ratios for practical purposes.

The banking systems in the UAE, Saudi Arabia and Kuwait have become more complex in the past two years and are now able to handle business that previously could be done more effectively in Bahrain.

In recent months, this, and measures taken by other Gulf states, have forced a reduction in regional activity, which accounts for up to 70 per cent of business—mostly in Kuwait dinars and Saudi rials. Both Saudi Arabia and Kuwait have decided to stop denominating big contracts in local currencies, making it unnecessary for contractors to cover any exchange rate loss.

The Saudi decision will hurt the banks most—rial dealing accounts for half of some banks' activities and was expected to be the basis of business for the next 20 years. The slight fall in rial business could signal a bigger drop this year. "One of the main reasons for being here is rial business. If that goes, things will get difficult", one banker said.

Measures taken by Kuwait have forced some banks to reduce their dinar books by as much as 50 per cent. Bahrain has had to take some of the blame, in Kuwaiti eyes, for some of the liquidity problems in Kuwait in the past year and measures taken early last year were specifically aimed at stopping the drain of short-term funds to the OBUs. The regulations said that deposits of more than one month held with banks outside Kuwait could not be regarded as liquid (25 per cent of a Kuwait bank's deposits have to be liquid).

The depressed state of the UAE dirham market could cause measures against Bahrain. UAE bankers are worried about the shortage of dirham liquidity—"the dirham market is thin and artificial", one banker said—and the Currency Board (central bank) may try to stop the flow of short-term funds to Bahrain.

One of the hardest tasks for the BMA has been to continue developing the market while at the same time preserving the quality of banks operating OBUs. The BMA imposed a moratorium on the opening of new banks on the island in July. Although this was rescinded in September, licences will be granted only in special circumstances.

The BMA says that "in addition to former criteria for OBUs (quality of the banks applying) the board is now adding a further one, which is that the banks should come from a country or region not adequately represented. For example, we would certainly consider a German OBU, an Asian or a Latin American application, but France, Britain, The Netherlands and other European countries, the United States and Canada are adequately represented by established banks."

Most bankers have praised the way the BMA has kept control and say it has attracted the correct banks. Others are not so sure, saying it is attracting banks with less and less contact with the Middle East. The BMA accepts that all banks will not have the status of the top 10 in the world but says it has refused applications from small and weakly capitalized banks.

Those licences that are granted are likely to be for Far Eastern banks. Bank Bumiputra Malaysia and Overseas Trust Bank of Hongkong have opened OBUs, mainly to finance trade between the Middle and Far East. Recently the Bank of Baroda of India received a licence a[nd] several Japanese banks ha[ve] opened OBUs or represe[nt]ative offices.

While the offshore ban[ks] are having to reassess th[eir] positions, commercial ba[nks] have been producing rec[ord] results. The Bank of B[ah]rain & Kuwait had total income of BD5.7 ($15.2m) last year and is [to] make a one-for-two bo[nus] share dividend for the fi[rst] time. The National Bank [of] Bahrain made a rec[ord] BD3.68m ($9.7m) profit, per cent up on the p[re]vious year.

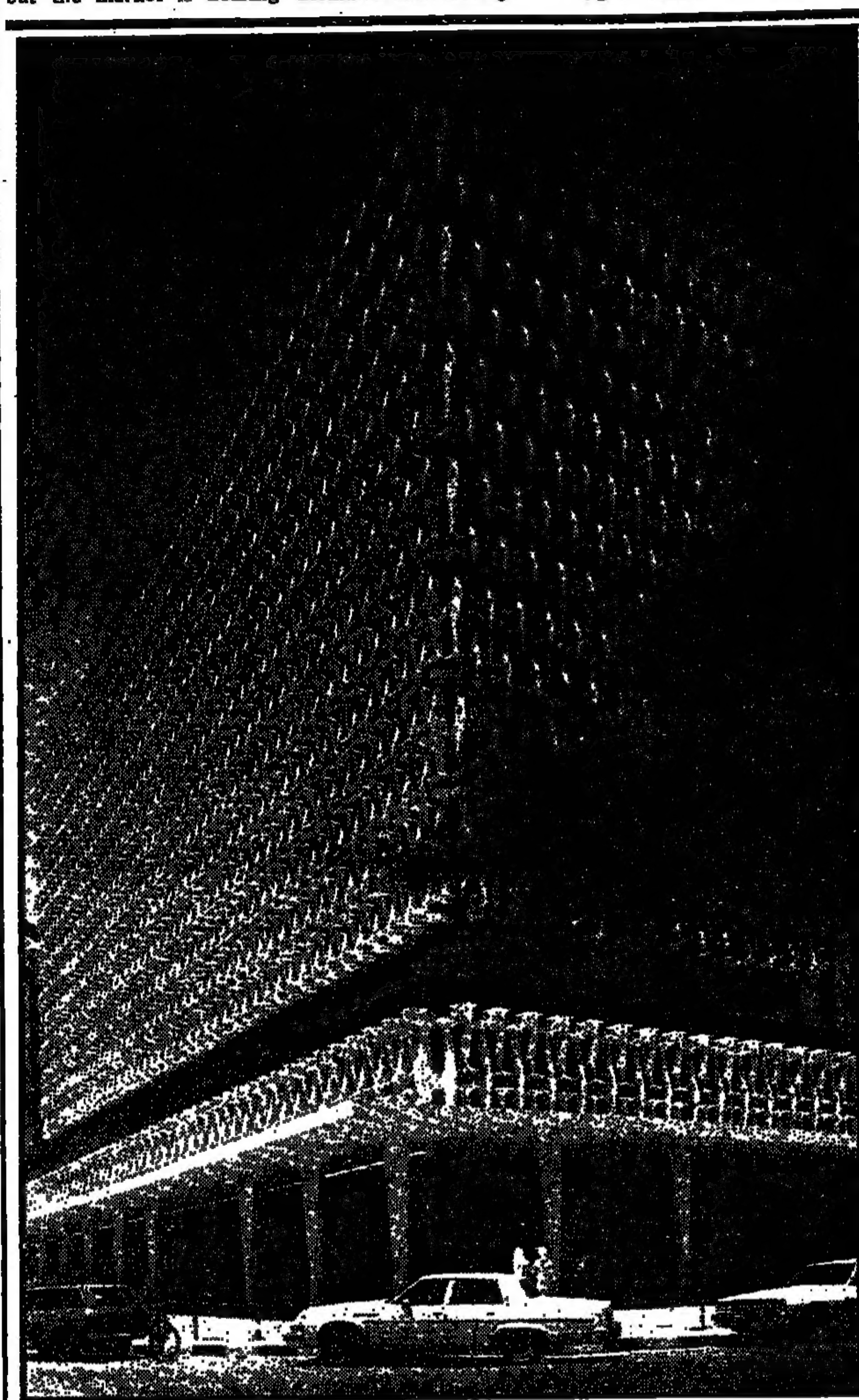
The commercial ba[nks] have settled into a patt[ern] of a fairly steady incre[ase] in lending, which should [be] sustained by the signs [of] revival in construction b[usi]ness. Lending increased 16.5 per cent last year BD397m ($888m), a co[nsi]derable improvement on [the] 8 per cent increase in 1[978]. It is unlikely, however, [that] there will be any repeti[tion] of the boom years of mid-1970s when loans [in]creased by more than per cent.

The offshore banks have to look for other a[reas] of business if they are [to] continue to pay their wa[y in] Bahrain. Bankers say the[re] growth in The Gulf sl[ows] down, wealth will have [to] be invested overseas an[d it] is logical for the OBUs [to] be involved in this type [of] business. If they do no[t it] will be increasingly hard [to] justify the high salaries [and] expensive offices used [by] offshore bankers.

Nigel Dudl[ey]
Middle East Econo[mic] Di[gest]

Bahrain (dinars m)	Monetary authorities 1977	1978	1979 (Aug)	Commercial banks 1977	1978	1979 (Aug)
Reserves	76.0*	105.9*	89.7*	25.4	33.9	[illegible]
Of which: currency outside banks	43.8	44.1	49.6	—	—	[illegible]
Foreign assets	201.5	195.0	227.5	223.6	243.8	[illegible]
Claims on:						
Government	—	—	—	9.2	23.8	[illegible]
Private sector	—	—	—	310.8	325.4	[illegible]
Demand deposits	—	—	—	108.7	127.2	[illegible]
Time and savings deposits	—	—	—	203.0	231.0	[illegible]
Foreign liabilities	61.1	37.4	36.7	197.8	191.8	[illegible]
Government deposits	44.9	22.6	63.8	49.0	66.9	[illegible]
Capital accounts	28.0	41.6	46.9	21.5	24.3	[illegible]
Other items (net)	–8.5	–12.5	–19.7	–11.2	–14.3	[illegible]

* *Reserve money*
Source: IMF


Gulf Bank, Kuwait: one of many finance houses active in the Euromarket.

Kuwait: foreign assets boost reserves

Kuwait has not only substantial oil revenues but also an increasingly high income from investments abroad. While oil revenues totalled an estimated $12,000m to $13,000m last year, income from foreign investments must have neared $4,500m.

Calculating income from foreign investments is a risky business, since these tend to be fluid and fluctuations in the exchange rate are difficult to assess. But, at the end of 1977, it was reliably estimated that Kuwait held $22,000m worth of foreign assets which earned an income of $2,111m in that year.

Since then, Kuwait's cumulative current account surplus has nearly doubled. While in 1974-77 it reached $25,000m, in 1974-79 it totalled about $44,000m. This means that, although the total is only about half that of Saudi Arabia, it is growing at a faster rate. Kuwait, while earning much less from oil exports than Saudi Arabia, also spends less. Kuwait's imports of goods and services were worth about $7,000m to $8,000m last year—a fifth of Saudi Arabia's.

With an eye to the day when oil reserves are depleted, Kuwait has developed skill in choosing safe investment outlets for its surplus. It is now four years since the Reserve Fund for Future Generations was set up to invest state revenues long term and provide a future alternative to oil income. The reserve fund's importance can be gauged from the fact that it was allocated KD324m in the 1979-80 state budget, while the state general reserve received KD617m. Together, they accounted for 30 per cent of total budget outlay of KD3,241m. In contrast, development projects received only KD395m.

Having had a large amount of money to invest abroad for some years has given Kuwaiti banks and financial institutions a sophisticated international outlook. The country has a wide array of investment houses and commercial banks which are extremely active in the Euromarket, either in their own right, or through their connexions with Arab-international banks. The names of Alahli Bank, Kuwait Investment Company (KIC), Kuwait International Investment Company (KIIC) and Kuwait Foreign Trading Contracting and Investment Company (KFTCIC) are those most frequently seen among the participants in Euromarket loans, but other Kuwaiti banks also participate.

These banks also manage bond and note issues, including this year's $40m note issue for the European Coal and Steel community and a $65m floating rate note issue for Union de Banques Arabes et Françaises.

Kuwaitis are also avid purchasers of equity and real estate. References to such investments are seen almost daily, recent examples being the acquisition of a substantial number of shares in three Japanese companies and the purchase of a stake in office blocks occupied by Rhône Poulenc in Paris.

While finding foreign investment outlets does not seem to be a problem, keeping dinars in Kuwait is a difficulty. In controlling liquidity, the Government is caught between the desire to keep the dinar stable in relation to the dollar and the fact that this stability makes it easy for Kuwaitis to transfer funds into dollar deposits without incurring much exchange risk. This they readily do when interest rates abroad, particularly in the United States, are attractive.

The result is volatile liquidity in Kuwait which affects trade and the banking system. Because of Islamic banking laws, the banks are allowed to charge no more than 10 per cent on overdrafts while they have to pay much more than that for funds in the interbank market at times of high demand for dinars.

There are few avenues open to the Kuwait Government in resolving this difficulty. It is unwilling, on ideological and political grounds, either to introduce exchange controls or to raise domestic interest rates above the 10 per cent ceiling. In the past year, however, different measures have been taken to try to ease pressure on the dinar.

One is the temporary closure of the dinar bond market. In existence since 1974, the bond market thrived on the dinar's stability vis-à-vis the dollar which arises because the dinar is valued in a basket of currencies with a high dollar content. In 1978 and the first nine months of 1979 the market was particularly successful. The volume of new issues amounted [to a] record KD122m in 1978 [and] to KD106m in 1979, be[fore] the closure.

The market attracted s[ome] highly-rated borrowe[rs] including the city of [...] Crédit Lyonnais and [...] dental International Fina[nce] which came to borrow [to] diversify their as[sets] because the dinar see[med] stable and because it [was] cheap in relation to a[vail]able funds elsewhere.

But in the event of liquidity shortage, the f[irst] to be squeezed are foreign borrowers. Towa[rds] the end of 1979, the Gove[rn]ment informally asked three Kuwaiti banks wh[ich] normally manage di[nar] bonds—KIC, KIIC [and] KFTCIC—not to make [any] new issues for the ti[me] being.

The market's closure d[oes] not really wound Kuwait. T[he] original reason for establi[sh]ing the bond market was [to] create an investment which the return, [for] Kuwaiti investors, would [be] in their own currency. [As] soon as the bond mar[ket] ceases to be an asset a[nd] becomes a liability, there [is] no reason, from the Kuwa[iti] point of view, to have it.

Other measures have [in]cluded the introduction [of] rediscount facilities, pu[mp]ing government money i[nto] the economy through la[nd] purchases and banning tr[ad]ing on the Kuwait Sto[ck] Exchange in the shares [of] non-Kuwaiti Gulf compani[es]. The ban followed an incide[nt] where shares in a ne[w] Bahrain exempt compa[ny], Gulf Investment Compa[ny], were heavily oversubscrib[ed] and most of the subscri[p]tions were thought to ha[ve] come from Kuwait.

These measures ha[ve] helped to remedy liquidi[ty] shortages to some exte[nt] but as long as internation[al] interest rates remain hi[gh] and political developmen[ts] across the Gulf uncert[ain], Kuwait is unlikely to be ab[le] to solve the problem.

Margare[t] Greenhalg[h]

Kuwait (dinars m)	Central Bank 1977	1978	1979 (Aug)	Commercial banks 1977	1978	1979 (Aug)
Reserves	431.5*	318.7*	282.2*	271.0	122.7	[illegible]
Of which currency outside banks	150.9	177.0	201.9	—	—	[illegible]
Foreign assets	821.9	709.8	781.4	822.4	1,214.4	[illegible]
Claims on private sector	—	—	—	1,236.7	1,564.1	[illegible]
Demand deposits	—	—	—	339.8	459.4	[illegible]
Time and savings deposits	—	—	—	1,078.0	1,314.0	[illegible]
Foreign liabilities	—	—	—	419.8	601.5	[illegible]
Government deposits	325.1	274.6	445.5	114.9	99.2	[illegible]
Capital accounts	8.0	27.9	27.9	197.4	218.4	[illegible]
Other items (net)	57.3	88.4	25.8	180.2	208.6	[illegible]

* *Reserve money*
Source: IMF

Qatar: slow adjustment to new climate

Cancellation of the interbank agreement on interest rates was a bold step for the Qatar Monetary Agency. The agreement, which ended on the eve of 1980, had been in force for eight years.

Worked out before the huge increases in oil prices and revenues, it allowed the commercial banks to pay interest rates of only 4 per cent on savings, and 4 to 6½ per cent on time deposits in Qatari rials. But it was adhered to only by those few banks which were operating when it first came into force, and it had for long been viewed by both bankers and government officials as unsuitable for changed economic circumstances in Qatar and in neighbouring oil states.

Mainly because of the agreement's rigidity, for example, substantial Qatari rials fled the country to benefit from much higher interest rates in countries nearby, such as Bahrain with its booming offshore banks. Since only a few banks were bound by the agreement, others enjoyed a freedom which gave the monetary agency less control of domestic monetary and financial policies than it would have liked.

Although it is now about 10 weeks since the agreement ended, no clear interest rate structure has yet emerged. It looks as if it will be some time before banks and customers adjust to the new climate. Some bankers have called for floating interest rates, particularly for lending, but the monetary agency has so far rejected this. Instead, interest rates are temporarily fixed at 5 to 7 per cent for deposits, and 7 to 9½ per cent for lending.

Of the 13 commercial banks operating in Qatar, 10 are branches of foreign institutions. They include three from the United Kingdom, and one each from the United States, Pakistan, Iran, France, Lebanon, Jordan and the United Arab Emirates.

The three domestic banks are the Qatar National Bank, Doha Bank and the Commercial Bank of Qatar. The 10 foreign commercial banks are believed to hold about four fifths of local deposits, most of which are invested abroad.

The strong foreign interest in Qatar no doubt helped the country when it successfully tapped the Eurodollar market to finance its four big industrial projects at Umm Said, carried out by the Qatar General Petroleum Corporation, Qatar Fertilizer Company (Qafco), Qatar Petroleum Company (Qapco) and Qatar Steel Company (Qasco). One of the biggest Eurodollar loans ever raised for an Arab state, a $350m seven-year credit at 1 per cent above Libor, was arranged in July 1977 for the four projects.

The 10 lead managers included Chase Manhattan, First Chicago, Lloyds Bank International and the 50 per cent government-owned Qatar National Bank.

Almost exactly a year later, Qasco obtained a $100m Euroloan to finance its direct-reduction steelworks which began production in April 1978. It was also managed by 10 banks, including Chase Manhattan, UBAF, Abu Dhabi Investment Company, Bank of Tokyo, Gulf International Bank and Hambros Bank.

The loan, with a spread of 5/8 per cent above Libor for the first four years and ¾ per cent above Libor for the last six, was guaranteed by the Government.

The last time Qatar tapped the Euromarket was in December 1978 when Qapco raised a $175m medium-term loan. The credit, which was oversubscribed because of Qatar's good credit rating, was lead managed by four banks, comprising Chase Manhattan, Deutsche Genossenschaftsbank, UBAF and the Qatar National Bank.

Having secured these three loans, totalling $625m, Qatar is not likely to borrow more in the Euromarket for some time, especially since its oil revenues are expected to reach at least $5,000m this year, more than twice its annual revenue when it last tapped the Euromarket.

Atef Sultan

Qatar (rials m)

	Monetary authorities 1976	1977	1978	Commercial banks 1976	1977	1978
Reserves :	425*	582*	774*	52	77	213
currency outside banks	373	505	573	—	—	—
Foreign assets	542	642	853	1,511	1,809	2,213
Claims on :						
Commercial banks	16	83	88	—	—	—
Private sector	—	—	—	1,559	2,464	2,889
Demand deposits	—	—	—	1,200	1,582	1,733
Time and savings deposits	—	—	—	1,129	1,480	1,809
Foreign liabilities	—	—	—	346	478	637
Government deposits	146	101	125	120	252	448
Credit from monetary authorities	—	—	—	—	62	62
Capital accounts	33	48	54	210	232	284
Other items (net)	–47	–7	–13	118	262	322

* Reserve money
Source : IMF

Libya: cofounder of new $1,000m venture

Three years after its spectacular move to acquire a 15 per cent stake in Fiat, Libya is again making another thrust into foreign investment by being cofounder of the biggest Arab fully-owned joint banking venture. With an authorized capital of $1,000m, the new venture, Arab Banking Corporation (ABC), will have its head office in Bahrain from where it will start business later this year, both onshore and offshore.

Libya and Kuwait have already paid in $250m each towards ABC's issued capital of $500m, and Abu Dhabi has subscribed $125m of ABC's ordinary capital of another $500m. The remaining $375m, divided into ordinary shares each of a nominal value of $100, are now being offered to Gulf states, and at least one is believed to be interested in acquiring a $125m participation. The offered shares have to be divided equally between any newcomers, but if this were not to work Libya and Kuwait, as founders, would take their options on these shares.

The Libyan interest in ABC is represented by its secretariat (ministry) of the Treasury and Kuwait's by its Finance Ministry. Although ABC chairmanship will go to Kuwait, Mr Abdullah Ammar Saudi, now the chairman and general manager of the Libyan Arab Foreign Bank (LAFB), will be president and chief executive.

Portrayed three months ago by a leading London financial weekly as one of the world's top 15 bankers, he has already proved himself an aggressive young entrepreneur. Mr Saudi, now 42, was for instance the chief architect of LAFB's Fiat move, making Libya the second-biggest shareholder in one of Europe's largest companies.

After a short spell as a teacher in Libya, Mr Saudi joined his country's central bank three years after its setting up in 1955 and within six years he became its manager. He was made general manager in 1970, but only two years later he left for LAFB, which he created in July 1972. Mr Saudi will be on the move again when he takes over ABC management in about six months.

Although by world standards a young bank, LAFB has quickly become one of the most active Arab banks. It was largely because of his pragmatic approach and hard work that Mr Saudi has managed to widen LAFB business to include interests not just in Fiat but into another 26 affiliates throughout the world, including London, Paris, New York and Cairo.

Up to December 1978, LAFB made a profit of $135m, and assets and liabilities in that year balanced at about $2,315m, an almost 50 per cent rise on 1977. In 1979, LAFB was lead manager of two Eurodollar issues, one for $1000m for Fiat Finance Corporation, and the other for $90m for a consortium of Yugoslav banks. In that year, it also managed six Euromarket loans worth $615m, including $220m for Banco Nacional de Cuba, $50m for Meccanica Finanziaria Internazionel of Italy, KD12m for Norges Kommunalbank, and two KD10m issues, one for Mitsubishi Heavy Industries and the other for Banque Nationale de Paris.

LAFB comanaged five 1979 issues worth $305m, the biggest of which were a $100m loan for Trans Tunisian Pipeline Company, a $75m issue for European Investment Bank and a $20m certificates of deposit (CDs) issue for Alheli Bank of Kuwait. Among loans comanaged in 1980 is a $65m Euromarket floating rate notes issue for Union de Banque Arabes et Françaises of Paris, in which LAFB has a 7.5 per cent interest.

LAFB's performance contrasts sharply with other Libyan banks which are not allowed to open branches or representative offices abroad, and whose foreign deals have to be made mostly through LAFB's overseas affiliates. Ten weeks after Colonel Gaddafi's revolution of September, 1969, all nine banks then operating in Libya were Libyanized and on December 22 of that year all foreign shares in these banks were nationalized.

The banking system was then reorganized. There are now five commercial banks (Masraf Al-Jamahiriyah, National Commercial Bank, Umma Bank, Saharh Bank and Wahda Bank), two specialized banks and two insurance companies. Apart from Jugobanka of Yugoslavia's representative office in Tripoli, no foreign banks have offices in Libya.

Under the slogan "partners not wage earners", Colonel Gaddafi, in late 1978, began to put into practice his radical economic and political ideas, expressed in the second volume of his intriguing *Green Book*. He called on Libyan workers to take over factories and commercial establishments to "sweep away the public sector's bureaucratic administration and the private sector's exploitative management".

Inspired by a massive official campaign, response was quick, and by early 1979 almost all private businesses were taken over and "people's committees" were set up to run businesses, including factories, supermarkets, hospitals and even Libyan embassies abroad.

The fact that Libya is a rich country with a small population (about three million) means that a large part of its increasing oil revenues can be channelled into massive development projects. Its five-year plan up to 1980 amounts to almost $32,000m and despite the difficulty in absorbing allocated investment, caused mainly by labour shortages and port congestion, Libya has achieved some of the world's highest growth rates. This has been Colonel Gaddafi's most important political asset at home.

The workers' move, however, produced some shortcomings, caused mainly by the lack of managerial skills needed to run industry and commerce. Clear evidence of this has been the subsequent relaxation of some of the rigidities of the workers' takeover. Interestingly, the oil industry, Libya's rice mill, commercial banks and insurance companies have not been seriously affected by the workers' move, while LAFB was one of the few organizations not touched.

Moreover, despite Libya's apparently radical foreign and domestic measures, its economy still depends heavily on the West and foreign workforce. Italy for example, is by far the biggest supplier despite the uneasy relations since the expulsion of the Italians in 1970.

Libya's biggest schemes are being built by the West: the Abu Kammash $515m chemical complex and the $520m Homs power stations by West Germany and the $1,000m Misurata iron and steel complex by Swiss, British, West German and Japanese firms. The United States, which has recently approved deals for $100m worth of heavy lorries and commercial aircraft after being assured that the equipment would not be used by the army, is Libya's biggest market, with oil sales worth nearly $4,000m in 1978.

A. S.

Libya (dinars m)

	Central Bank 1976	1977	1978 (June)	Commercial banks 1976	1977	1978 (June)
Reserves	830*	1,052*	1,322*	187	226	239
Of which: currency outside banks	436	585	694	—	—	—
Private sector deposits	210	266	387	—	—	—
Foreign assets	1,064	1,624	1,475	64	80	80
Claims on :						
Government	533	354	910	—	—	—
Private sector	23	24	25	742	856	885
Demand deposits	—	—	—	493	593	637
Quasi-monetary deposits	—	—	—	294	398	423
Quasi-monetary liabilities	261	286	304	—	—	—
Of which : commercial repayments	140	144	147	—	—	—
Foreign liabilities	1	1	3	16	44	25
Government deposits	324	314	390	34	45	43
Capital accounts	—	—	—	46	65	65
Other items (net)	206	349	392	108	16	10

*Reserve money
Source : IMF

Egypt: changes in domestic regulations

Banking has played an important role in laying the foundations for Egypt's economic recovery. It has been the most active sector since President Sadat launched his "*open door*" policy in 1974 and possibly the most controversial. Unhampered by the restrictions binding the local banks, which for a generation had done little else but act as a conduit for government funds to the public sector, the foreign banks were able to move easily into lucrative trade financing and profit from the indulgence of Egypt's middle classes, compensating for years of austerity.

The local banks reacted negatively to this foreign banking invasion—and with reason. For clearly the vast majority were not performing the development function on which they obtained their licences.

In their defence the foreign banks argue that trade financing was an essential first step to finding their way in a strange market, building up customer credit ratings from which they could then look at investment opportunities. Now a few are beginning to promote medium-term lending.

In the past three years there have been major changes in domestic banking. The four public sector banks are now able to take foreign currency deposits, which has meant that they have managed to keep the majority share of expatriate deposits. Of $3,000m thought to be deposited with the commercial banks some 60 per cent is held in the public sector banks.

At the same time domestic interest rates have risen—though not sufficiently in most people's eyes. The maximum interest to be gained on Egyptian pound deposits is 9 per cent against 14 per cent for dollars. Another 1 per cent to 2 per cent rise is being mooted under pressure from the IMF. Another major change was the decision at the end of 1977 to remove a 40 per cent withholding tax from all savings and deposits. This is expected to raise the level of local savings to nearly 80 per cent of national investment this year compared with a minimum of just under 40 per cent in 1974.

The public sector banks are moving more and more into the private sector, but traditional business patterns remain. The National Bank of Egypt, with 94 branches, continues to specialize in import-export financing. Banque Misr, formerly an industrial development bank before the 1952 revolution, specializes in domestic trade financing. It has 175 branches.

The Bank of Alexandria's 85 branches service the industrial sector, while the Banque du Caire handles service industries and construction. It has 78 domestic branches and overseas branches in UAE and Bahrain.

All four banks have at least one joint venture with foreign partners. The National Bank has a 51 per cent stake in a joint venture with Chase Manhattan Bank, called Chase National. Like Misr International, a joint venture between Banque Misr, Misr Insurance Company with the First National Bank of Chicago, Banco di Roma and Union de Banques Arabes et Françaises, Chase National can deal in Egyptian pounds because of a controlling Egyptian interest.

European-American Bank, a joint venture between Bank of Alexandria and American Express, likewise, may offer Egyptian pound accounts.

In a different category are the joint venture banks without Egyptian controlling interest. These are not able to work in Egyptian pounds.

Egypt (£E m)

	Central Bank 1977	Central Bank 1978	Central Bank 1979 (Aug)	Commercial banks 1977	Commercial banks 1978	Commercial banks 1979 (Aug)
Reserves	2,082*	2,655*	3,231*	495	505	840
Of which: currency outside banks	1,749	2,184	2,482	—	—	—
Foreign assets	344	590	623	1,333	1,724	1,807
Claims on:						
Government	1,873	4,169	4,740	1,816	2,393	3,085
Commercial banks	1,544	1,633	1,821	—	—	—
Specialized banks	104	170	187	102	68	144
Private sector	—	—	—	1,537	1,790	1,947
Demand deposits	—	—	—	1,193	1,363	1,639
Time and savings deposits	—	—	—	1,160	1,658	2,170
Foreign liabilities	1,707	3,670	3,874	625	747	824
Government deposits	47	101	58	366	595	730
Counterpart funds	—	—	—	142	125	112
Credit from Central Bank	—	—	—	1,530	1,589	1,762
Other items (net)	30	136	208	267	402	587

**Reserve money*
Source: IMF

In this category come two banks that have been most active as development banks, the Misr Iran Development Bank in which Bank of Alexandria and Misr Insurance Company both have a 25 per cent stake, the remaining 50 per cent being held by Iranian interests, and Cairo Barclays International, a fifty-fifty joint venture between Barclays Bank and Banque du Caire.

At the end of December 1978 MIDB had initiated projects worth $266m taking up equity or providing medium loans worth $58m; $38m of which were underwritten by export guarantees. MIDB has mobilized Egyptian, Western and Arab capital for these projects, which range from a $72m textile mill and an air conditioning project to clay brick making and a dairy farm.

Cairo Barclays is involved in 17 projects with a total capital of $142m, to which it has committed $12m in short or medium-term lending with a further $5m committed. Barclays is actively looking for small-to medium-sized industrial projects.

The Central Bank exercises the most cursory supervisory control over the 17 foreign branches operating in Cairo. For the most part they finance trade and provide supplier credits, but some like Lloyds Bank International are taking a more active interest in medium-term lending. Lloyds is looking for small to medium-sized industrial projects.

In a class of their own are the Arab African International Bank founded in 1964 as the Arab African Bank, and the Arab International Bank which was founded in 1971. Both banks predate the advent of the open door policy and do not operate under Egyptian law.

Both banks were deeply involved in the dispute over the disbandment of the Arab Organization for Industrialization, the multi-million dollar arms industry Egypt was developing with Saudi, UAE and Qatari finance before it was disbanded after the Egyptian-Israeli peace treaty. Although not bound by Egyptian law, the banks decided to freeze the AOI accounts—as they did the accounts of the various branches of the Arab League, and only permitted disbursements for the purposes originally designated.

This has allowed the Egyptian authorities to proceed with the building of factories for the production of Westland helicopters and Rolls Royce Lynx engines to power them even though there are unlikely to be sufficient funds actually to produce them.

Arab African International and Arab International were also comanagers with two other Arab banks, the European Arab Bank and the Union de Banques Arabes et Françaises, and four European and American banks for an abortive $300m loan for the Egyptian Government last spring. This had to be abandoned after the four Arab lead managers withdrew in protest at the Egyptian-Israeli treaty.

Taking advantage of the huge rise in workers' remittances—they were about $2,000m last year—a number of local banks have been created to use expatriate savings. The Alexandria Kuwait International Bank channels the savings of Egyptians in Kuwait, the Nile Bank from Saudi Arabia and the Delta Bank from the UAE.

Other banks or investment institutions to have been set up in the past three years are the Suez Canal Bank which specializes in business in the Suez Canal zone, the *Faisal Islamic* Bank, a joint Egyptian-Saudi Arabian bank operating to the *Sharia* Islamic law which forbids payment of interest and the Joint Arab Investment Corporation (Jaicorp). Jaicorp claims to be the first Egyptian merchant bank. It has been operating about nine months and has been active in syndications for hotel development.

Alan Macki

Jordan: lively business on many fronts

Powered by substantial funds pouring in from abroad—workers' remittances, foreign loans and aid and export and tourism earnings, Jordan's banks and financial institutions are doing brisk business. Now enjoying sustained growth and stability after the troubled years that followed the 1967 Arab-Israeli war and the loss of the exports-rich West Bank, Jordan's banking system is developing fast to become one of the most advanced in the Middle East.

This is reflected not only in the number of newly-established institutions, including a stock exchange, but also by the sharp rise in banking assets and lending and the country's diverse investment opportunities. Three commercial banks, all with big Gulf participation, started business in the last two years: the Jordan-Gulf Bank, Jordan-Kuwait Bank and Petra Bank. Two merchant banks, the Arab-Jordan Investment Bank and the Arab Finance Corporation (Jordan) as well as the profit-sharing Islamic Bank for Finance and Investment were also established.

This brings to 15 the number of commercial banks in Jordan, seven of which are privately owned and five of which are branches of foreign banks, including some from Britain and the United States. Between them, the 15 banks now have more than a hundred branches in major cities.

Commercial banks assets rose to JD815m in November 1979, from JD596m a year earlier and only JD143m in December 1974. Advances made by these banks also increased considerably. In the first 11 months of 1979, they totalled JD455m, compared with JD333m for the whole of 1978 and JD201m for 1977. Most of these credits go to private borrowers with construction and trade—the biggest outlets—taking JD143m and JD134m respectively from January to November 1979. The borrowing interest is fixed at 9 per cent, a rate unchanged for almost a decade. Similarly, time, demand and saving deposits in these banks are rising fast, reaching JD584m in November 1979, from JD415m a year earlier, as a result of the sharp inflows of money remitted by Jordanians working in The Gulf, now worth about $800m a year.

One interesting function of newly-created merchant banks was pioneering locally-syndicated loans for Jordan's industry and tourism. A recent example of this was the country's first locally floated private sector bond issue of $15m to help to finance building a fifth kiln for Jordan Cement Factories Company which runs the country's only cement works, at Fuheis. The 10-year issue was managed by the Arab Bank Investment Company together with Chase Merchant Banking Group and the nine co-managers comprised five Arab banks, three British and one Japanese.

Jordan's oldest commercial bank, the Arab Bank, set up in 1930, is the biggest privately-owned bank in Arab countries. Its balance sheet for the first half of 1979 stood at JD1,090m and participations in syndicated issues raised for domestic developments were worth JD63m, about two thirds of all participations between January and June.

Apart from seven offices on the West Bank (closed since June 1967 war), the bank has 51 branches in several countries, including five in Saudi Arabia, two in London and one in Paris, and an Athens branch is to open soon. It also has several foreign affiliates, including Arab Bank (Overseas), with offices in Zurich and Geneva and others in Morocco and Nigeria. Last June, the Arab Bank became full owner of the Morgan Grenfell Finance Company. Now renamed Arab Bank Investment Company, it remains the bank's merchant banking arm in Europe.

Progress made in commercial and merchant banking was accompanied by setting up another financial institution, the Amman Financial Market (stock exchange). Turnover in 1979 was worth JD15.9m, nearly triple the JD5.6m-worth of trading in 1978, the exchange's first full year. Floor trading lasts only for one hour every morning and listings include the Central Bank of Jordan's development bonds and all Jordan's public shareholding company stocks. Last year, bank and financial institutions shares accounted for 43 per cent of trading, while industry shares took 42.6 per cent, insurance companies shares 5.9 per cent and service companies shares 8.3 per cent.

About 15 per cent of trading is believed to have been made on behalf of Jordanians and other Arab investors, including some public institutions, and about 30 per cent on behalf of West Bank Arab residents. The exchange plans to list negotiable certificates of deposits (CDs) as a secondary market develops. Jordan's first CDs were issued in 1978 by the Amman branch of Citibank.

Closely linked with the Amman exchange is the Jordan Securities Corporation, which is expected to start trading soon. The World Bank's affiliate International Finance Corporation, which is advising on setting up the corporation, has subscribed 10 per cent of its JD2m capital which has been oversubscribed by nearly eight times.

Among other subscribers are Samuel Montague and Company of London (5 per cent), the European Arab Bank (10 per cent), Kuwait International Investment Company (10 per cent) and Beirut's Gefinor group (2 per cent). The corporation, with strong support from the central bank, will use the Amman exchange for raising and investing funds inside Jordan.

Jordan (dinars m)

	Central Bank 1977	Central Bank 1978	Central Bank 1979 (Aug)	Commercial banks 1977	Commercial banks 1978	Commercial banks 1979 (Aug)
Reserves	255*	300*	366*	67	82	70
Of which: currency outside banks	188	219	282	—	—	—
Foreign assets	229	286	317	37	75	89
Claims on:						
Government	59	57	89	33	69	76
Private sector	—	—	—	197	314	418
Demand deposits	—	—	—	126	150	175
Time and savings deposits	—	—	—	124	227	261
Foreign liabilities	—	—	—	19	60	83
Government deposits	24	31	22	17	24	33
Capital accounts	—	—	—	21	55	59
Other items (net)	9	11	17	27	23	22

**Reserve money*
Source: IMF

In another move, the central bank is gradually relaxing exchange controls and since May 1979, it has permitted transfer of foreign currency in any form, not only in cheques or official overseas remittance forms as before. Jordanians are now allowed to deposit up to JD10,000-worth of foreign currency in local banks. Commercial banks were recently licensed to operate in the country's three free zones, including one at Aqaba, with no exchange restrictions. It is now expected that the continuing high inflow of foreign exchange together with the Jordanian dinar being strong, the central bank may abolish remaining controls and may even allow setting up offshore banking units in Amman.

Atef Sulta

Lebanon: finance system survives effects of civil war

As governments, financiers and speculators watched the bewildering rise in the price of gold in the closing months of 1979, Lebanon's Central Bank and Finance Ministry officials must have been beaming with satisfaction. Their long-standing policy of maintaining much of the country's reserves in gold was paying off. Gold reserves, which at the nominal price of SDR 35 a fine ounce, were worth about $400m, commanded a market value of about $6,000m.

Gold coverage of the country's currency, the Lebanese pound, has almost always been more than 100 per cent, and is now much more than ever. So it is hardly strange that in the past five years of political unrest, and even in the bloodiest days of the 1975-76 civil war, confidence in the Lebanese pound, and in the banking system in general, remained high. There was no real financial panic, some banks remained open throughout the fighting, there were no restrictions on the transfer of funds into or out of the country, and the exchange rate was kept freely floating.

Such a picture ignores the serious effects the civil war has had on Lebanon's banks, and on the whole economy. Up to 1975 Beirut was by far the most important commercial centre in the region, and its well-organized banking system had been a big attraction to the international corporations seeking a base in the Middle East. In the years after the 1973 oil price increases, Beirut's banks were an important channel for Arab capital seeking investment opportunities in the financial markets of Europe, the United States, and the Far East.

The rise of other important financial centres in the region, such as Bahrain and Kuwait, has deprived the Lebanese banking system of an important source of business. The Arab "petrodollars", which were handled through Beirut, have found more direct routes to the capital markets of the industrialized countries.

Beirut still has many things to offer—a wide variety of financial services, experienced staff, stringent banking secrecy, and a strong domestic currency—but it lacks that most important merit sought by the international businessman: security.

Hope for the future remains.

It would be wrong to think that, just because Beirut has lost its place as "the Hongkong of the Middle East", Lebanese banking has fallen into stagnation. Far from it. The bankers' resourcefulness and flexibility has enabled them to adjust to the adverse conditions with remarkable success.

Many reacted by moving to Paris, Brussels, London or elsewhere, setting up branch offices, representative offices, subsidiaries and affiliates providing banking services to Lebanese and other Arab expatriate companies, and continuing to act as channels for funds from the Arab oil-producing countries. The list of such banks is long but includes Jammal Trust Bank and Litex Bank in London, Byblos Arab Finance Bank (Belgium) in Brussels, and in Paris Banque Libanaise pour le Commerce (France), Banque Libano-Française (France), Banque de l'Orient Arabe et d'Outre-Mer and many others. Lebanese banks have also been active in The Gulf, particularly in the United Arab Emirates.

For the banks in Lebanon the main problem since the end of the war has been an excess of liquidity. With confidence in the banks and the currency high, but with few opportunities for domestic investment, the banks found themselves with more money flowing in than they knew what to do with. The result was a temptation to lend money for speculative purposes, particularly in real estate and foreign currencies. This contributed to inflation, estimated to be more than 20 per cent each year, and led last summer to disturbing fluctuations in the exchange rate. As a result the authorities decided to impose credit ceilings on the banks, and tightened reserve requirements, at the same time allowing a greater proportion of those reserves to be held in the form of government securities.

The Government was not slow to see the advantages to itself of an over-liquid banking system. Before 1976 it had hardly ever needed to borrow from the banking system because its budget generally showed a surplus. But since then the Government has been unable to collect many of its tax liabilities, and so its spending has been financed partly through bank borrowings.

A deficit of more than £Leb1,000m (£133m) was included in last year's budget, and financed largely through short to medium-term Treasury bill issues. The authorities are studying the means of establishing a brokerage firm to promote a secondary market in government securities.

A reconstruction plan prepared by Lebanon's Reconstruction and Development Council, to be carried out once there is sufficient political stability, envisages investments of about £Leb22,000m (£2,933m), of which £Leb10,000m (£1,333m) is to come from the public sector. Of that share, about £333m is to be financed by borrowing from the banking system. It is hoped that the rest of the necessary finance will come in the form of easy-terms aid from the Arab oil-producing countries. Even if such aid were not realized, money would be the least of Lebanon's worries. In the last resort it could fall back on its vast foreign reserves to finance development, or borrow commercially from the international capital markets.

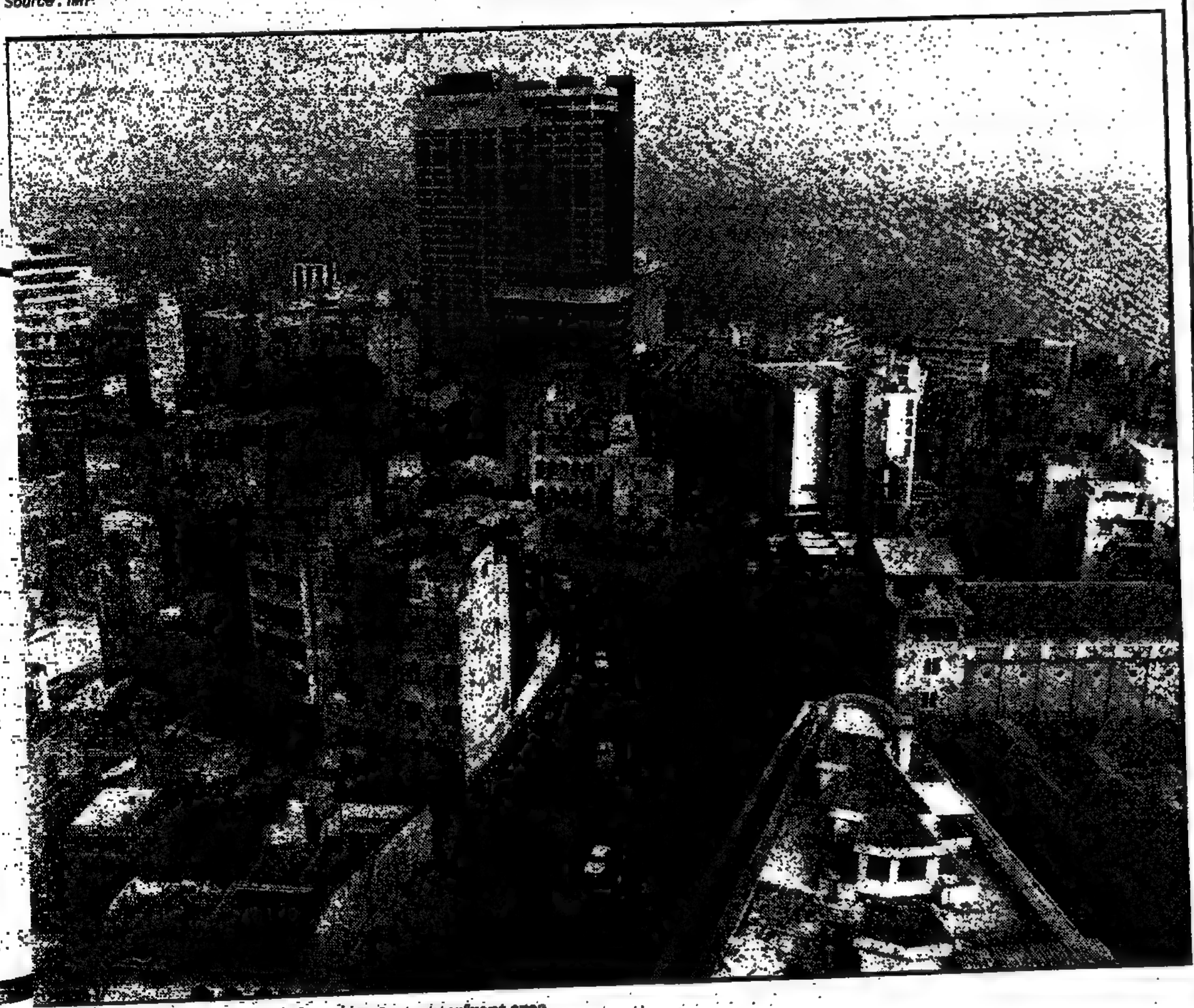
The mere existence of a well-organized and efficient banking system will be invaluable to Lebanon, if and when reconstruction gets under way. Even now, confidence in the economy, in the banks, and in the Lebanese pound is such that expatriate Lebanese remit more than $100m a month from abroad—a flow which has helped to keep the balance of payments in surplus in spite of persistent trade deficits. But the real turning point in Lebanon's fortunes will come only when stability is restored and the estimated 200,000 Lebanese who have left the country since 1975 to work abroad begin to come home. Only then will Beirut perhaps be able to win back some of its former glamour as the financial heart of the Middle East.

John Rizq

Lebanon £Lm

	Bank of Lebanon 1977	Bank of Lebanon 1978	Bank of Lebanon 1979 (Mar)	Commercial banks 1977	Commercial banks 1978	Commercial banks 1979 (Mar)
Reserves	4,751*	5,384*	5,256*	1,898	2,067	1,930
Of which: currency outside banks	2,729	3,669	3,441	—	—	—
Foreign assets	5,873	6,683	6,653	5,770	6,052	6,045
Claims on:						
Government	891	843	871	475	949	1,186
Private sector	33	76	83	8,031	9,919	10,799
Commercial banks	101	77	56	—	—	—
Demand deposits	—	—	—	2,300	2,822	3,026
Time and foreign currency deposits	—	—	—	9,309	11,004	11,776
Foreign liabilities	—	—	—	2,558	3,111	3,004
Government deposits	1,843	1,716	1,935	—	—	—
Credit from Bank of Lebanon	—	—	—	101	77	56
Capital accounts	—	—	—	619	656	700
Other items (net)	304	580	472	1,288	1,317	1,397

*Reserve money
Source: IMF



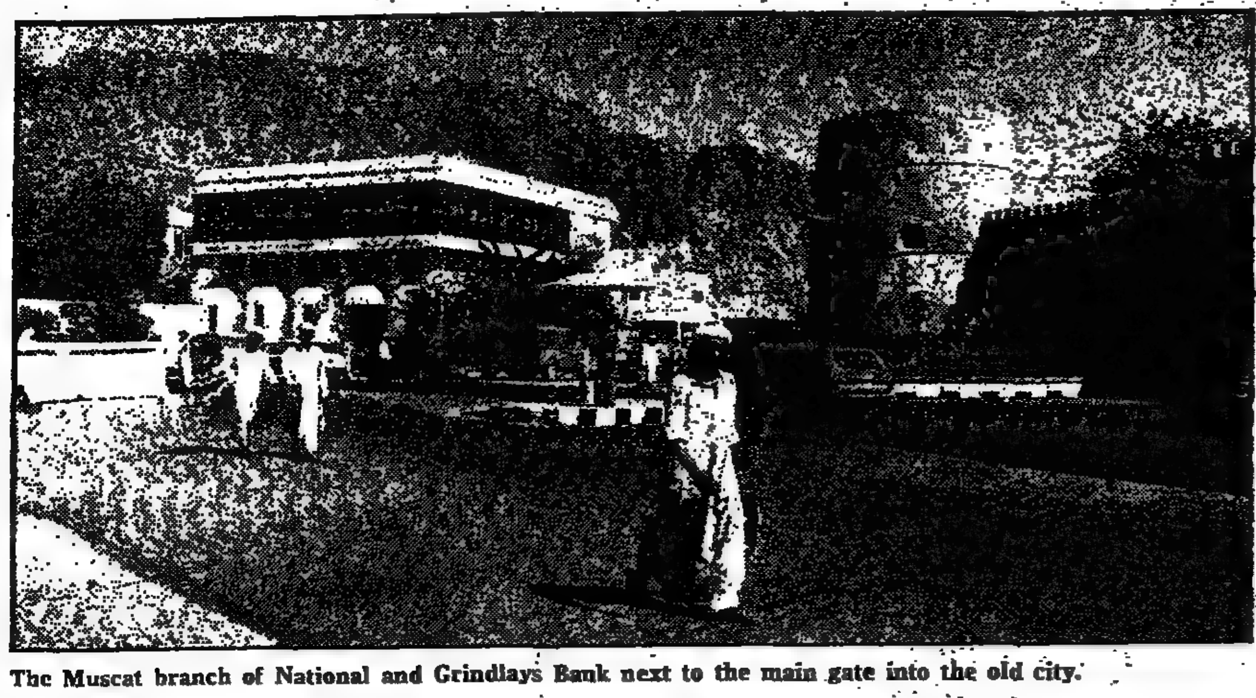
A calm and orderly look in part of the Beirut waterfront area.

ARAB BANKING

Oman: a modest revival of activity

Buoyed by several oil finds last year and by windfall revenues from higher oil prices, the Omani economy is looking forward to a modest revival of activity. Government investment, which has been slack in the past two years, is likely to increase. And the offshoots from new projects, such as the planned oil refinery, should stimulate all sectors of the economy.

Oman's small economy is almost wholly dependent on oil. Production has been declining, to an average of about 295,000 barrels a day in 1979, compared with 315,000 in 1978 and 340,000 in 1977. But a few discoveries in 1978 and oil price increases in line with Opec (of which Oman is not a member but whose pricing guidelines it follows) have contributed to making prospects look more promising. It is now forecast that Petroleum Development Oman's (PDO) production will rise to 350,000 barrels a day by 1981 and remain at that level until at least 1983-84.



The Muscat branch of National and Grindlays Bank next to the main gate into the old city.

Oil revenues increased by about 60 per cent last year. They totalled 502m rials in the first nine months of the year, compared with 382m rials in the same period of 1978. *Since then Oman's oil* price has risen twice: by 10 per cent in October 1979 and by 16.5 per cent in January 1980, taking it to $28.20 a barrel. PDO also announced its intention in January of auctioning an average 167,000 barrels a day for a minimum of $41 a barrel.

The higher earnings have already had an impact on the country's official reserves, which have risen substantially, and on budget forecasts. The 1979 budget, originally projected to be in deficit, is now thought to have been in surplus and the Government may relax some of the tighter controls on its outlay which led to *only 40 per cent of projected civil* development expenditure being spent in 1978.

One sign of the times is the fate of the $150m loan which Oman borrowed in the Euromarket in July 1979. The loan was Oman's first significant foray in the Euromarket but, by the time it was *signed*, it was scarcely needed and has still not been fully drawn down.

The loan was an interesting exercise in several respects. It provided a useful gauge of Oman's international credit rating, although the favourable terms on which it was *raised—¾ per cent above the* London interbank offered rate (Libor) for seven years, with three years' grace—also reflected the enthusiasm of the banks involved to lend to an Arab borrower. The loan was managed by 18 banks, many of which have strong Arab connexions, and arranged by Abu Dhabi Investment Company, Gulf International Bank (in which Oman has a share) and the Al-UBAF Group.

By and large, Oman must appear a reasonable asset to international banks. It has other natural resources besides oil and its external debt *is* small. The dis*bursed portion* amounted to about $605m at the end of 1978, just under half of which was export credits, 24 per cent government loans, 15 per cent international aid and 17 per cent commercial loans.

The renewed prosperity has coincided with an upsurge in the industrial countries' interest in Oman, whose strategic importance in The Gulf has taken on more significance. This may well result in an increase in aid from the West and from other Arab countries, particularly Saudi Arabia. Whether this will filter into all sectors of the economy remains to be seen since external finance will probably be mainly for defence.

Nevertheless, the two factors are bound to stimulate the economy to some extent and keep the banking community busy. Since 1977, a moratorium has been imposed on new banks as 20 commercial banks, of which six are locally incorporated, are considered plenty for a country with a population of about 840,000 and gross national product of $2,160m in 1978—a fifth of that of the United Arab Emirates.

The banks' operations consist mainly of the provision of personal banking services and of short-term credit for trade and the private sector. Lending to the private sector increased sharply after 1973 but growth has slowed in the past few years as reduced government spending reflected on all sectors.

While commercial banks' claims on the private sector grew by 40 per cent a year *in 1975 and 1976, they* increased by only 19 per cent in 1978 and by about 6 per cent in the first nine months of 1979. However, the banks also derive some revenue from placing private Omani funds in the Euromarket, for example, and this has helped to keep their business profitable.

The number of banks in Oman increased rapidly from 1973 to 1977. Before 1973, there were only four banks, all foreign. They included the British Bank of the Middle East, which had been there since 1948, Chartered Bank, Grindlays Bank and Habib Bank of Pakistan. The banks which came later were mainly banks with local or other Arab interests. There were also two Iranian banks, an Indian bank, Citibank of the United States and Banque de Paris et des Pays Bas.

Even more spectacular was the increase in the number of commercial bank branches. By October 1977 *this had risen to 96 from* only four in 1972. The number has continued to increase, reaching 125 in July 1979, but growth in the past two years has been more strictly controlled with banks being required to open branches in less developed areas for every additional branch opened in the capital area.

Margaret Greenhalgh

Oman (rials m)

	Monetary authorities 1977	1978	1979 (Aug)	Commercial banks 1977	1978	1979 (Aug)
Reserves	80.1*	88.5*	94.5*	25.6	24.2	22.9
Of which: currency outside banks	55.1	64.4	72.9	—	—	—
Foreign assets	150.2	143.3	163.0	33.3	38.8	41.5
Claims on:						
Government	8.4	49.3	54.5	58.0	20.6	9.5
Private sector	—	—	—	167.1	198.4	206.3
Demand deposits	—	—	—	56.2	49.9	52.2
Quasi-monetary deposits	—	—	—	95.3	116.3	118.1
Foreign liabilities	8.4	43.6	48.5	67.6	69.4	55.6
Government deposits	56.8	45.8	48.0	59.4	39.7	37.5
Capital accounts	14.8	19.5	20.5	8.9	10.8	12.6
Other items (net)	−1.5	−7.8	6.0	−5.5	−6.2	4.2

**Reserve money*
Source: IMF

Algeria: new-found riches

Algeria appears to have come into its own, and those foreign bankers who backed it in leaner years are being proved right. Its oil and gas revenues rose by more than a half last year to $9,700m, as the price of Algerian oil jumped from $14.10 a barrel a year earlier to about $30 a barrel in December, 1979, and as sales of liquefied natural gas (lng) increased.

Bankers now predict that, by 1985, Algeria may be earning $5,000m a year from lng exports alone, without counting the doubling of lng export prices which Algeria is at present seeking. To this may be added even higher oil revenue as oil prices continue to rise. Algeria's Saharan blend was selling for $34.31 a barrel in February.

Already, in 1979, Algeria succeeded in renegotiating the price of lng being sold *to* El Paso of the United States. The original price, agreed some years ago, was ridiculously low and most experts consider the fourfold increase was warranted. Even the new price is thought to be well below the market value and may well be raised. The same goes for prices agreed in Algeria's many lng sales contracts with Western Europe, most of which are due to come into operation by 1984.

Algeria's new-found riches have reversed what, two years ago, was a rather gloomy outlook for the economy. They have also allowed Algerian planners' wishful thinking on diver*sifying investments* to become a reality. The external debt, now about $19,000m, no longer looks so awesome in relation to projected revenues and the debt-service ratio is declining. It fell to 22 per cent last year, from 25 per cent in 1978.

In many ways 1978 was a watershed. It was the year in which the first of the major new lng plants, Arzew 1, was opened and began supplying lng to the United States. At the same time the state oil and gas company Sonatrach mounted a vigorous information campaign which made international bankers more aware of the country and its prospects.

It was also the year in which a decision was taken to go ahead with the 2,500km Algeria-Italy natural gas pipeline, a decision which has as much political as economic portent because it links Algeria inextricably with Europe. And, towards the end of that year, the country experienced a change of leadership, with the death of former President Boumédienne and the election of President Chadli.

Recently, a top-level party meeting announced that future economic strategy would put emphasis more on social needs and that there would be less investment in heavy industry and less dependence on foreign technology and finance. Such a policy shift will be welcomed by most international bankers. Agriculture, housing and labour-intensive light industry have been to some extent neglected as investment has gone primarily into the gas and other heavy industries.

However much the Government might have liked to divert investment into these sectors it was *not*, until 1979, really in a position to do so because hydrocarbons revenues were not high enough to allow continued expenditure on the vital oil and gas sector at the same time as increased outlay on other projects.

Increased revenues are having a twofold effect. On the one hand they are allowing a steep rise in total government spending—this year's investment budget is up by a remarkable 41.8 per cent—and on the other they mean that some of the longer-term lng projects are less necessary.

Algeria will have sufficient revenue for its needs without the increased sales that further liquefaction plants would allow. It is possible, for example, that the doubling of capacity at the Skikda plant will be postponed, if not shelved completely.

Reduced dependence on foreign funds is also likely, partly because with higher earnings Algeria no longer *needs* external finance on the scale of the past two years. The country's Euromarket borrowing has already slowed to only $2,039m in 1979, compared with $3,297m in 1978.

Whatever funds Algeria does need, it should have little difficulty in obtaining them and at favourable rates. Its credit rating improved consistently in the two years, because it looked a more stable and potentially prosperous developing country than most and because international banks, awash with liquidity, were more than usually anxious to find borrowers.

There is no doubt that Algeria took advantage of this climate to borrow in anticipation while the terms were favourable. Circumstances had changed so much that, in October 1979, Sonatrach was able to borrow $500m for 10 years at 1 per cent over the London interbank offered rate (Libor)—terms which [illegible] unthinkable two years previously.

It seemed then that terms could not improve much more for Algeria, particularly as many of the country's customary creditors were nearing their limits. This was particularly so for some United States banks which, by law, may not lend more than a certain percentage of their capital to a single borrower.

These banks are now more flexible, as Algeria has started to repay earlier loans. The repayments have at once boosted foreign banks' confidence in Algeria, while allowing them to relend, still within their imposed limits. This was one factor which enabled the Banque Nationale d'Algérie (BNA) to borrow $200m in February 19[illegible] for 10 years with five years grace at ¾ per cent over Libor.

Constant contact with the Euromarkets has enabled Algerian banks to increase their sophistication. The state companies and banks have borrowed, in the past two years, in a variety of currencies and through different money instruments including fixed rate bonds, floating rate notes, private placements and syndicated loans.

The two banks most concerned with foreign borrowing are the BNA and the Banque Extérieure d'Algérie (BEA). Their function is to lend medium and short-term to specific state companies. In contrast, the Banque Algérienne de Développement (BAD) lends long term.

Algerian banks have also gained international experience through their affiliates and associates, most of which are in Paris. BEA, for example, is joint owner with the Libyan Arab Foreign Bank, of Banque Intercontinentale Arabe, Paris. It also has shares in Union de Banques Arabes et Françaises. BNA has shares in the European Arab Bank in Brussels, in Europaeisch-Arabische Bank in Frankfurt and in Union Méditerranéenne de Banques, Paris. This experience will be necessary to Algeria if, as is strongly rumoured, it is, with Libya, being asked to place assets in the international money centres on behalf of Iran.

M.G.

Algeria (dinars m)

	Central Bank 1976	1977	1978	Deposit money banks 1976	1977	1978
Reserves	18,675*	21,957*	28,765*	1,434	1,384	1,396
Of which: currency outside banks	17,241	20,579	27,285	—	—	—
Foreign assets	8,943	8,021	8,840	2,883	4,478	4,137
Claims on:						
Government	2,693	6,427	15,231	3,185	4,107	3,878
Private sector	335	335	335	36,918	39,774	56,447
Deposit money banks	8,778	8,516	7,333	—	—	—
Demand deposits	—	—	—	19,120	23,299	27,342
Time deposits	—	—	—	2,529	3,402	5,238
Foreign liabilities	260	208	231	4,539	6,598	3,594
Long-term foreign liabilities	—	—	—	5,215	5,793	9,352
Government lending funds	—	—	—	3,005	2,937	2,561
Credit from Central Bank	—	—	—	8,778	8,516	7,383
Government deposits	181	115	77	—	—	—
Other items (net)	1,633	1,019	2,686	1,234	−802	4,448

** Reserve money*
Source: IMF

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'etrol pumps can give hort measure under new EEC regulation

·m Arthur Osman
·mingham

etrol stations in Britain can ılly deliver short measure at pumps under a recent and e known EEC regulation, it said yesterday. Garages, ticularly larger ones, will efit by many thousands of nds a year.

he Motor Agents' Associa-, whose members handle e than half the petrol sold he country, said: "It means : pumps will no longer be ·ed in favour of the omer. These long-awaited nges will be warmly wel-ied by all retailers."

Ir David Roberts, the chief ector of trading standards Shropshire, said the change "hidden away" in a list regulations and dealt with adpotion of EEC levels of or on pumps.

Previously, on verification error in excess of one fluid ce a gallon only was permit-, there being no error in iciency permissible," he said. On inspection the error per-ted was two fluid ounces a on in excess, and in defic-y a half fluid ounce a on. Those errors had been in 1929.

The new error on verifica-ı is 0.5 per cent in excess deficiency, and on inspection er cent in excess and a half cent in deficiency.

In practice this will mean t the error in deficiency has n introduced on verification, now pumps can legally iver a half per cent short.

That may not mean a great l to the individual motorist, to a garage selling 500,000 lons a year (and we have ny selling well in excess of t figure, and who can now ally ask for the pump to be at a half per cent short asure) it could equate to 000.

"The stamping fee for certification by an inspector is £20.45 for a blender pump and £12.30 for a straight pump".

Mr Roberts said the law had also been relaxed in another area. Retailers will be allowed to break the seal in the price-computing mechanism, either to reset the price as with blender pumps or to adapt the pump to metrication.

But he must notify his local authority of his intention, and will be allowed to use the pump for up to 28 days without fear of prosecution.

"This makes lawful a practice which inspectors have informally agreed to in the past," Mr Roberts said.

"For a strict application of the law would have meant that once a pump was altered by changing the price, then it could not be used until tested by an inspector."

In the current issue of *The Motor Trade Executive*, circulated to the 15,000 members of the Motor Agents' Association, Mr Robert Pearson, director of petrol services, said: "It will now be a much fairer 'swings and roundabouts'. A half per cent saving on 10,000 gallons a week at today's prices represents over £3,000 a year benefit for petrol station operators."

British Petroleum said: "We are not advising licensees to put pumps a half per cent short. It is not for us to give that sort of advice, because we do not carry the can if the measure given is wrong."

Other oil companies suggested a wise operator would not set his pumps at the half per cent short mark because of possible mechanical errors.

It was more likely operators would set pumps at exactly one gallon or one litre rather than above those levels, which had been the practice hitherto, to avoid short measure and risk of prosecution.

Scientists resume food label campaign

By Hugh Clayton
Agriculture Correspondent

Scientists who advise the Government have resumed their 14-year campaign to change the name of the cheap salad mixture called mustard and cress.

The Food Standards Committee, a quango responsible to the Ministry of Agriculture, Fisheries and Food, found in 1966 that the "mustard" was usually a blander plant called oilseed rape. Its British acreage grew fast in the 1970s because of its value as a source of oil for margarine.

The committee said yesterday that greengrocers were reluctant to label their goods "rape and cress". It wants the Government to insist, in the interests of clear labelling, on the term "cole-seed and cress".

"If food consisting of rape and cress is wrongly described then this is an offence under the regulations", the committee said. The ministry could not say how much "mustard and cress" contained rape instead of mustard. It said that there was little difference between the two plants.

"Mustard and cress" was one of many targets in the committee's latest campaign to bring order out of the chaos of food labelling laws.

If ministers accept its advice the term "high in polyunsaturates", which is used on some margarines, will be banned. The makers of such margarine will have to give the percentage of fat on the label.

A proposal by the committee to insist on full nutritional labelling on some groceries has met opposition in the food standards division of the ministry because it would add to costs without benefiting consumers.

Claims and Misleading Descriptions (Food Standards Committee, Stationery Office, £4).

Thirlmere, a beautiful stretch of water in the Lake District, which may be opened to the public after eighty years.

Public may get access to Thirlmere

By John Chartres

Proposals to open to the public the "dead water" of Thirlmere, the artificial reservoir created against bitter opposition in the heart of the Lake District at the turn of the century, are now being seriously considered.

The North West Water Authority, successor to Manchester Corporation water works, which flooded the four-mile long valley bottom lying between Borrowdale Fells and Helvellyn, plans to complete a treatment plant well down the Thirlmere aquaduct near Bolton by the end of this decade so that by then there should be no reason to maintain the ban on public access, fishing and boating which has irked Lake District residents and visitors for the past 80 years.

A preliminary statement on a future management plan for Thirlmere, one of the most beautiful of the Lake District waters except during drought "drawdown" periods, has been drawn up by Mr R. B. Baynes, chief planning officer of the Lake District National Park special planning board. It will be discussed at a planning committee meeting on Friday.

His statement says: "Although controversy over the impact of the development of Thirlmere as a reservoir both on the character of the area and on public access has continued from the 1870s, when the creation of a reservoir was first mooted, to the present day the main bone of contention in more recent years has been the lack of public access to the reservoir itself.

"The proposed construction of a water treatment plant should mean that by the late 1980s there will be no serious water quality constraints on the use of water for recreation. The time is therefore opportune for the preparation of a management plan dealing particularly with the access issue."

Mr Baynes's statement suggests that any plan should not be confined to the reservoir but should apply to the whole of the water authority's Thirlmere estate, which covers about 12,000 acres. There is public access on foot to about two thirds of that area, including two nature trails, but the reservoir itself has been barred to the public to preserve the quality of the water flowing into the taps of Manchester.

The statement suggests the selection of a number of launching sites for small, non-powered boats on the lake but Mr Baynes points out that neither his board nor the water authority "would favour the intrustion of motor boats".

Whether the demand for sailing, rowing and canoeing facilities would justify the cost of providing access or safety supervision will have to be discussed, and also whether hire boats should be provided for public use or whether a sailing club or outdoor pursuit centre should be permitted to establish a base.

Mr Baynes does not think the lake will ever be particularly attractive either to anglers or swimmers. There are few fish in the lake and because of the acidity of the water it would be difficult to increase stocks. The coldness of the water is unlikely to attract many swimmers, he thinks.

The west side of the lake is quiet and remote but the busy A591 runs on the east side, carrying among other vehicles a high proportion of heavy lorries, some of them loaded with toxic chemicals. That is the subject of a separate controversy over whether such vehicles should be barred from the route.

If the report is approved, it will be distributed as a consultative document to such bodies as the Countryside Commission, the Nature Conservancy, the Sports Council and local authorities.

Widow must pay £10,000 bail after priest fled

The widow of a former leader of the Irish Republican Socialist Party was yesterday ordered to forfeit a £10,000 surety she put up as bail for a priest on a bank robbery charge.

The Special Criminal Court in Dublin ordered Mrs Melissa Costello, whose husband, Seamus, was murdered while leader of the party in October, 1977, to pay £2,000 within seven days and the rest in six months.

She told the court's three judges that payment would cause her four children "great hardship". The judges made the order after Father Vincent Forde, aged 34, failed to turn up for his trial on a £46,000 bank raid charge.

Mrs Costello, aged 38, of Cornelscourt, co Dublin, said: "I trusted him fully, and one of the reasons was because he was a priest".

A police search for Father Forde, of Enniscrone, co Sligo, was launched when he failed to turn up for a scheduled hearing last month. He is understood to have links with the IRSP.

Mrs Costello told the court she had been asked by a friend to stand bail. One of the conditions for his release had been that he reported weekly at a police station near her home, and when he did he had called in for tea.

When they discussed the risk for Mrs Costello of losing the £10,000 Father Forde had assured her he would be present for the trial. The first she had heard about his non-appearance was on a radio news bulletin. She later saw associates of the priest but was unable to find him.

Mrs Costello said her house was valued at £25,000. She had a £4,000 car, a £41 widow's weekly pension, and children's allowances totalling £21 a month.

Judge Timothy Desmond, the court president, said she had known the risk she was facing, and the court felt the bail had to be forfeited. Mrs Costello's husband was shot dead at the wheel of his car. His murderer has not been found.

),000 are at sk of tal disease

ıbout 20,000 people in Bri-ı are at risk of developing fatal hereditary disorder, ntington's chorea, and the y way of stopping the spread for those who may be affec-to remain childless.

That warning came yesterday a report by the Office of alth Economics (OHE). Over next 10 years a prenatal eening test, capable of de-ting foetuses carrying the ease gene, should be de-oped, an OHE spokesman l.

A positive result would open way for abortion, leaving a ple free to start another gnancy in the hope of pro-ing an unimpaired baby, of ich the chance would be 50-

The report said there was le hope of curative medi-es for the disorder being de-oped in the near future. More n 4,000 people in Britain fered from Huntington's rea, but children or grand-ldren of sufferers could de-op it. Throughout the world re were 300,000 sufferers.

The biochemical cause of the ebling, ultimately fatal de-neration of the central ner-s system caused by the dis-ler is unknown. Among the st signs are unsteadiness and rred speech.

The report said the disorder t the health and social ser-es on average £15,000 a ient from diagnosis to death, t despite such spending the e and support provided was en inadequate.

The report called for a single vice agency, with nursing l social skills, to be set up span the gap between resi-ntial and community care.

Copyright damages for authors against BBC

By Alan Hamilton

Eight authors who wrote scripts for a BBC television series have been awarded damages in the High Court because their material was also used for a book without extra payment and without their consent.

The BBC and Mr Desmond Wilcox, head of general features, television, were ordered yesterday to pay the authors' legal costs and to withdraw from sale any remaining copies of the offending book, *Explorers*, published in 1975 under Mr Wilcox's name to coincide with the screening of the series, *The Explorers*. The level of damages, which are expected to be substantial, will be assessed by the Chancery Master.

An infringement of copyright was admitted by the BBC and Mr Wilcox, who agreed to the inquiry into the level of damages to be awarded. An additional claim of malicious falsehood against them was dropped by the authors.

The case was brought jointly by the Society of Authors and the Writers' Guild of Great Britain, acting on behalf of Hammond Innes, David Howarth, Pat Lasky, Jesse Lasky, Rosemary Anne Sisson, Ian Rodger, Robert Wales and Ian Thorne, who has since died. Each wrote a programme in the series, concerning the lives of famous explorers, and all were surprised when a complementary BBC book appeared, apparently written from their material, and priced at £6.

Yesterday's hearing marks the end of a five-year dispute between the authors and the BBC, which first came to public attention through the columns of *Private Eye* magazine.

Miss Rosemary Anne Sisson, one of the authors and cochairman of the Writers' Guild, said that the judgment had established an important point of principle in protecting authors' copyright.

She said: "None of us knew anything about the book until it appeared. We tried to settle the matter through the Writers' Guild, but without success; bringing it to court was a last resort."

Treasure field is invaded

Hundreds of sightseers gathered at the field in the Irish Republic where an amateur archaeologist uncovered an eighth-century silver chalice and other treasure, in spite of efforts to keep the location a secret.

News of the find was made public on Thursday. Leading Irish historians, backed by the Irish Government, refused to pinpoint the site beside an ancient church at Thurles, co Tipperary, because they feared an influx of treasure hunters.

Details leaked out and carloads of visitors headed for Thurles throughout the weekend.

Mr John O'Leary, joint owner of the land, said yesterday: "The floodgates were opened. We have no objection to people wanting to see the location, but this is private property and they should get permission to come through".

The discovery, by a resident of Thurles, and the invasion of sightseers has encouraged art experts to demand stricter legislation to curb non-professional archaeologists.

[M]an found dead

Mr John Robinson, aged 80, ssing from his home at nchinhampton, Gloucester-ire, for the past fortnight, s been found dead in the unds of Princess Anne's me at Gatcombe Park. Police d there were no suspicious cumstances.

Explosive find

An Army bomb disposal unit yesterday detonated a wartime shell at Tangmere, Sussex, collected with chemical canisters washed ashore from the sunken ship, Aeolian Sky.

Eight granted bail

Eight of 17 young men and women taken to the police station at Farnham, Surrey, after a raid on a house yesterday were released on bail. The rest left after questioning.

,och Earn is playground for a million

Regional report
Ronald Faux
Lochearnhead

Loch Earn lies in fine ıntryside, inviting to the ter sporting instincts of a lion or more people. It is e of those fragile areas of at beauty that are con-niently close to town.

The loch is deep, arrow aight and unimpeded by ands, making it a perfect ıce for water skiing. In fine ather when more than 4,000 s a day grind bonnet-to-boot ng the loch side, the water bright with the sails of ghies and ruffled by the ersecting trails of power ats.

The Central Region, which rders the west end of the h, is responsible for strate-planning and has proposed t Loch Earn should be signated a national centre water sports. One glance on busy day might suggest that ch Earn had already signated itself, and the folk o live near by are concerned t further encouragement uld bring more development d an end to peace and quiet.

One local, who preferred not be named, observed: "There nothing we can do about it. e cannot tell people to go ay if they arrive here want-g to float about the loch. No e has the right to do that. yone with a rubber boat and ierce outboard can launch it d tear around making a ghtful din.

"It is no use passing by-laws at cannot be enforced or gulating things in a fascist rt of way. All we can do is joy the quiet months and endure the summer. It is sad, though; people come to the countryside for peace and quiet only to find there isn't any."

Mr Ewen Cameron, proprietor of the Lochearnhead hotel, helped to develop the loch for water skiing. This year a new centre is to open offering dinghy sailing, wind surfing and water skiing. It has been paid for by private capital and grants from the Scottish Tourist Board.

"The loch has a great future as a place for water sports but the developments already here are enough. If it becomes more crowded there could be accidents", Mr Cameron said.

Oddly enough, the Arabs may do more than anyone to regulate the growth of power boating on the loch. Thirsty outboards that bring an echo of Brands Hatch to the Highlands are increasingly costly to run, and the wind is free. "When I started water skiing here it was 15p a shot. Now I can see the cost rising to £4 or £5. Inevitably, sailing will become more popular", he said.

Mr Hugh Wright has a restaurant and caravan site at Lochearnhead and believes there is scope for expansion. The season was starting earlier and finishing later every year and in spite of petrol scares people still flocked to the Highlands. "I sympathize with local folk who are worried about where all this development is leading, but if a proper watch is kept and the 'cowboys' are dealt with, everyone can enjoy this place."

At the eastern end of Loch Earn lies the village of St Fillans, a picturesque huddle of neat houses. People there regard the development of a national water sports centre at the far end of the loch as the massing of some awful armada.

"Everything that starts up there ends here. There must be more control, perhaps with power boats kept at that end of the loch and sailing boats this end", a St Fillans woman said.

Water skiers who come privately, launch their boats and then ignore the proper discipline came in for strongest criticism. "They move so quickly that they are a danger, and their boats make a terrible racket. They love to show off, and damn near kill people doing it", her husband added.

A university professor from Edinburgh who has a house near St Fillans also complained about the danger. "Several times when my children were out sailing they have narrowly escaped collisions and being drowned. I raised this with the police, who admitted they do not have the manpower to provide a safeguard."

On Loch Earn, it seems, the old seafaring courtesies are too often ignored.

HOME NEWS

Pay rises main cause of £15,700,000 loss by London Transport

By Michael Baily
Transport Correspodent

London Transport's losses increased last year from £1,900,000 to a record £15,700,000, the executive disclosed in a report to the Greater London Council yesterday. Pay rises that were higher than expected were said to be the main cause but substantial lost milage on buses and tubes reduced takings on fares.

Pay rises averaged nearly 14 per cent after a special inquiry by the Advisory Conciliation and Arbitration Service, instead of the 5 per cent London Transport had budgeted for in line with government policy at the time.

Bus mileage was down from 172 million to 165 million, because of very bad weather last winter, a persistent shortage of drivers and other staff difficulties, and worse traffic congestion.

Tube milage was down from 30 million to 29.1 million, mainly because of a shortage of drivers and guards and the unreliability of prewar rolling stock on the District and Bakerloo lines.

The number of passenger journeys by Tube rose from 569 million in 1978 to 594 million; but bus passenger journeys fell, from 1,301 million in 1978 to 1,234 million.

Mr Ralph Bennett, chairman of London Transport, said yesterday that the results were disappointing but added that an improvement towards the end of last year was continuing. It sprang largely from the new bus management grouping under eight semi-autonomous district managers, which had improved communications. The level of bus availability at 97 per cent was the best for three years. The number of buses off the road on a typical day had fallen from about 500 to 150, Mr Bennett said.

Passengers were learning to communicate directly with their district managements, and the complaints postbag at headquarters, always a useful borometer of passenger satisfaction, was getting smaller. On the Underground, the old District line trains were being replaced by 75 new trains, costing £83m.

London Transport's big worry now is future levels of investment. About £12m is being lopped off this year's investment budget to £102m, and the future of such labour and money-savers as automatic fare collection and automatic trains is threatened.

Prisoner 'not harmed in isolation'

By Annabel Ferriman

The control unit in Wakefield prison did not have any harmful effect on Mr Michael Williams, a prisoner who spent 180 days in it, the High Court was told yesterday.

Dr Denis Leigh, a psychiatrist and an expert witness for the Home Office, said that although he had never examined Mr Williams, the symptoms of anxiety and depression described by those who did examine him after his spell in the unit were not pathological. They were within the normal range of prisoners' emotions.

Mr Williams, who was given parole last month from a 14-year prison sentence for armed robbery, is suing the Home Office for a declaration that the isolationist regime of the unit was illegal. The unit was abolished in 1975 after a public outcry about it.

Dr Leigh said that there was some deprivation of human contact in the unit, but it did not bear any relationship to human experimentation. Human beings were so resilient that they could endure two spells of 90 days of monotony without any serious consequences.

Under cross-examination by Mr Stephen Sedley, counsel for Mr Williams, Dr Leigh said he did not think the fact that Mr Williams had three prison officers watching him when he went to the lavatory was demeaning.

He agreed that the paranoid symptoms that Mr Williams exhibited after he left Wakefield prison could have been caused by the additional stress of the unit.

There was an unusual and unnatural distance between the prison officers and the prisoners in the unit. The fact that the officers had to maintain that distance could have made them unusually tense.

He thought that the symptoms of distress, depression and anxiety that Mr Williams was said to have shown in the unit were probably due to his change of surroundings.

"Williams got these symptoms when he was removed from a situation where he was a big, strong subverter. He had a lot of money found on him at one stage. When we are removed from a situation in which we are existing with prestige and status, we may become anxious and frightened", Dr Leigh said.

Economics threat to elm schemes

By Nicholas Timmins

Programmes aimed at saving urban elms from Dutch elm disease are being threatened by local government spending cuts.

Experience in Brighton and Hove, which have had an active conservation programme for ten years, shows that by felling elms as soon as the disease appears, and by taking other measures, a high proportion of the trees can be saved.

Forestry Commission scientists fear, however, that similar programmes in other towns are likely to be one of the first options for cuts in the spending squeeze.

Dr John Gibbs, of the commission's Alice Holt Lodge station, in Hampshire, said yesterday that rural control campaigns in northern Britain, where the disease was most active, had been heavily cut with the ending last year of the Countryside Commission's grants for control programmes.

"In urban areas, if you do not cut a tree down the first year the disease develops, you still have to fell it in year three because it dies and becomes dangerous", Dr Gibbs said. "There is some realization of this in urban areas, and these programmes should continue".

Greater Manchester, for example, had withdrawn from a coordinated attempt to save elms, although some district councils were still active. "The same may be true of other metropolitan areas."

In Brighton the programme has been so effective that only 10 per cent of the original elms have been lost in a decade. In other parts of Britain entire populations have been wiped out and 17 millions of the country's 30 million elms have died.

Forestry Commission scientists have had early success with an injection that appears to save infected trees but the cost of the treatment, about £50 a tree, is likely to rule it out for all but the most valuable elms.

Britain is also participating in an EEC programme of planting strains of elm that appear to be resistant to the fungal infection. About a dozen strains are being tested but it will take 10 years to discover whether they are truly resistant under "field" rather than "nursery" conditions and whether the varieties, drawn from North America and Europe, will thrive in Britain.

Jury clear jockey and trainer on plot charges

John Williams, aged 30, a National Hunt jockey, was cleared of all three charges against him in the racehorse conspiracy trial at Exeter Crown Court yesterday.

Two of four charges against his codefendant, John Bowles, aged 33, a trainer, of Crickhowell, Powys, were also dropped. Both men faced two joint conspiracy charges and one of deception. Mr Bowles alone faced a further charge of deception.

The case was brought after a controversial race at Newton Abbot, Devon, on August Bank Holiday, 1978. A horse given as In the Money, a bay gelding with a disastrous racing record, won a two-mile selling race by 20 lengths.

The Crown claimed that the horse had been switched and that the winner was in fact a "ringer", a more succesful stablemate called Cobblers March.

After defence submissions yesterday by Lord Hooson, QC, for the defence of Mr Bowles, and Mr Micheal Gale, QC, for the defence of Mr Williams, Judge Counsell directed the jury to find Mr Williams not guilty on all charges. She also instructed the jury to return similar verdicts on the two conspiracy counts against Mr Bowles.

Mr Bowle's trial on two charges of deception continues today. He is accused of dishonestly obtaining from Weatherby's, agents of the Jockey Club, a £525.76 credit by falsely claiming that the horse was In the Money, and that he dishonestly obtained from the Tote the proceeds of a £50 bet.

Mr Williams, of Velindre, Swansea, will be back in the saddle today, with three rides at Cheltenham.

Arson attempt on police station

An arsonist with a grudge is believed to have poured petrol through the letterbox at Radcliffe police station, Lancashire, early yesterday. The fire was quickly put out.

Greater Manchester police link the attack with a similar attempt to fire Bury magistrates' court, near by, 48 hours earlier, which caused only minor damage in the cash office.

Shoplifting by prison officer

Colin Harwell, aged 43, a senior officer at Brixton prison, London, was fined £100 by magistrates at Epsom, Surrey, yesterday for shoplifting.

Mr Hartwell, who now faces dismissal after 16 years, admitted stealing two steaks valued at £3 from a supermarket at Banstead.

His solicitor said emotional pressures and exhaustion after 10 days in charge of the top security wing of the jail were responsible.

WEST EUROPE

Nationalists win big majority in Basque poll

San Sebastian, March 10.—Spain's northern Basque country has dealt a severe blow to the Government by returning an overwhelming majority of nationalists to its first home-rule parliament.

In yesterday's elections in the three Spanish Basque provinces, the three nationalist parties won 42 of the 60 seats in the new regional assembly. The elections, which ended 40 years of direct rule from Madrid, were a crushing defeat for Spain's ruling party, the Union of the Democratic Centre (UCD), which won only six seats.

The clear victory of the moderate Basque Nationalist Party (PNV) which won 25 seats, seemed certain to increase pressure on Señor Adolfo Suárez, the Prime Minister, to speed up the transfer of powers to the region.

The poll also demonstrated that there is continuing support for the separatist guerrilla group ETA, which has killed 18 people this year in its fight for an independent Basque state.

Violence has taken 28 lives this year in the Basque country. A brief lull during the campaign was broken today when gunmen shot a teacher in the leg near here.

ETA military wing supporters in the radical coalition Herri Batasuna (Union of the People), established themselves as the second political force in the region by winning 11 seats.

Another nationalist group close to ETA's less violent political-military wing, Euskadiko Eskerra (the Basque Left), won six seats.

The Socialists lost ground to the nationalists and won only nine seats.

The failure of the UCD augured badly for the party in similar elections to a Catalan parliament on Mrch 20.

Señor Carlos Garaicoechea, the leader of the PNV, who is expected to form a single-party Basque government, said yesterday's vote would strengthen nationalist demands for fuller and speedied home-rule.

"Euskadi (the Basque country) has voted more nationalist than ever," he said.—Reuter.

Leading article, page 13

Hitler's former valet dies of heart failure

From Our Correspondent
Bonn, March 10

Heinz Linge, Hitler's former valet, died of heart failure at the age of 67 in Hamburg yesterday.

Herr Linge, a former SS-Obersturmführer (lieutenant) joined Hitler's bodyguard in 1933, and worked his way up to head the Führer's personal servants.

He was taken prisoner by the Russians at the end of the Second World War. On his return to Germany in 1955 he sold stories to popular papers about his time with Hitler.

In a new series just beginning in the Sunday newspaper *Welt am Sonntag* he recounted how he poured petrol over Hitler's body after his suicide and burnt the corpse.

Former President Richard Nixon strolls down the Champs Elysées in Paris on his way back to America from Africa.

EEC butter subsidies defended

From David Wood
Strasbourg, March 10

Mr Finn Gundelach, the Agricultural Commissioner, split the Democrat group in the European Parliament here today when he sturdily defended the policy of subsidizing butter sales to the Soviet Union.

Sir Henry Plumb, chairman of the parliamentary agriculture committee, welcomed Mr Gundelach's statement asserting that the commission had no power to impose an embargo on any trade with the Soviet Union. He added that after the invasion of Afghanistan there had not been any agricultural exports to replace the United States ban on exports to the Soviet Union.

But Mr James Scott-Hopkins, leader of the Anglo-Danish Democrat group, pressed Mr Gundelach to say that any butter exported to the Soviet Union would be at full "intervention" prices.

Mr Gundelach made no promises and vouchsafed none of the information sought by Parliament about what guidelines he would work under. He said EEC butter had never been sold to the Soviet Union, nor would it be sold, at less than the price of New Zealand butter exports.

"We have no political commitments to Soviet Russia to honour . . . the root of the matter lies in the Community's continued generation of surpluses."

Mr Gundelach then revealed that industrial exports to the Soviet Union were being discussed by the External Trade Committee. It was no good saying there was no element of subsidy in the EEC's industrial exports because there was.

Parliamentary report, page 4

M Marchais turns inquiry call on to his antagonists

From Ian Murray
Paris, March 10

M Georges Marchais, leader of the French Communist Party, said last night that he accepted the principle of a commission of inquiry to investigate his career, providing other prominent politicians did the same.

M Marchais was answering questions on a radio programme dealing with the allegation in the news magazine *L'Express* that he had worked voluntarily for the Nazis during the war.

The Communist leader has described the document the magazine has used to support its story as "a gross forgery" designed to prevent him standing next year as a presidential candidate. He said that he was "an unattackable political man" and would be prepared to fight the presidential campaign provided he was asked to by his party.

He posed his one condition for setting up a commission of inquiry into his past on the basis that he did not see why he should be treated differently to any other politician. Seeking to take the attack to the other side he also proposed that there should be a commission of inquiry into all those who had benefited from "the odious crimes" of former Emperor Bokassa, a clear reference to president Giscard d'Estaing.

He also called on the President to lift the ban on politicians of the majority coalition which prevents them disclosing their personal income and inheritance, and called on the President and M Raymond Barre, the Prime Minister, to set an example in this.

Commenting last night on the allegations in *L'Express*, M Bernard Stasi, president of the Centrists, told a convention of the government coalition: "What is important for us today is not to know if, 30 years ago, Georges Marchais worked voluntarily for Nazi Germany. What is important is to know that today he works deliberately for the Soviet Union."

Corsican town damaged by 'blue night' bomb blasts

From Our Own Correspondent
Paris, March 10

Corsica suffered another of its infamous "blue nights" early today—with 15 bomb blasts causing considerable damage, while four other charges failed to explode. A year ago there was a similar "blue night" with 23 explosions.

The targets were mostly in Ajaccio and included banks, government buildings and a radio station. Morning news bulletins were still broadcast, however.

The attack is seen as a riposte by militant nationalists to the weekend conference in southern Corsica of the liaison committees of the presidential Majority Parties, which has condemned all acts or declarations that threaten the close links between Corsica and France.

In a statement claiming responsibility for the attack, the National Corsican Liberation Front said there would be no return to normal until French "colonialism" on the island ceased.

'Green' groups undergo first test at polls since forming themselves into a regular party

German ecologists sow political seeds

From Patricia Clough
Stuttgart

Packets of cress seeds with the picture of Herr Lothar Spath, the Prime Minister of Baden-Württemberg on the back are thrust into the hands of surprised citizens at Christian Democrat election meetings.

The cress is symbolic. It produces rapid results and, above all, it is green.

Green is the big theme in the Baden-Württemberg election campaign. It is the name of the ecologist groups fighting their first election since becoming a regular party and with a fair chance of getting into the *Land* Parliament.

Can the Greens survive the negative effect of their chaotic founding congress in January, their unresolved relationship with Communist groups and competition for public attention from the Soviet troops in Afghanistan?

Although Baden-Württemberg is not typical of the rest of Germany, success in the March 16 *Land* elections would boost their chances in the autumn Bundestag elections.

This would mean fewer votes for the coalition parties and a better chance for Herr Franz Josef Strauss, the Opposition Chancellor candidate.

The three traditional parties point to the results of commissioned polls indicating that the Greens can expect only about 4.5 per cent of the vote, certainly well below the 5 per cent needed for representation. The Greens are unimpressed by "poll results" produced by parties before an election.

Almost as green as the Greens, and stiff competition for them on their own ground, is Herr Erhard Eppler, leader of the Social Democrat Party in Baden-Württemberg.

A nonconformist intellectual and visionary, he is playing a leading part in the rethinking among left-wingers in his party of the values and aims of West German society.

With the quality of life the main issue and the outcome pretty well certain, the election is delightfully relaxed.

Everyone knows Herr Spath will be back in his office on March 17 with his 56.7 majority slightly shrunk and the Prime Minister complains he has to keep reminding his staff that an election campaign is on. The Social Democrats will gain perhaps 3 or 4 per cent and the Free Democrats, led by Dr Jürgen Morlok, a rising star in the party, will remain comfortably around 7 per cent. Only the Greens' future is uncertain.

The real dress rehearsal for the Bundestag elections will be in North-Rhine Westphalia in May. Baden-Württemberg will be watched mainly for trends, though leaders of both parties are studiously trying to keep the campaign a local affair.

With good reason: neither is too happy to be associated with his national leader. Herr Strauss is making only a handful of appearances in Baden-Württemberg and Herr Spath is losing no sleep about it.

Teachers' strike closes 249 schools in Paris

From Our Own Correspondent
Paris, March 10

About 80 per cent of the teachers at state nursery and primary schools in the Paris region went on strike today in protest at the proposed closure of 62 classes in the capital from the start of next year.

Since a high proportion of head teachers are in the union the strike resulted in many working mothers being forced to stay at home to be with their children.

Of the 610 primary and nursery schools, 249 were completely shut and many of the others were badly affected. The union has called for a demonstration tomorrow so the strike will go into a second day.

Protest about the closures has been growing since they were announced at the end of last month and there have been several unofficial stoppages. By the end of last week 1,000 of the 6,000 teachers involved were not at work.

Swedes on verge of rejecting nuclear power

From Roger Choate
Stockholm, March 10

Swedish voters are shown to be on the verge of rejecting nuclear power as the nation girds itself for a referendum on energy policy.

Latest polls indicate that nearly 40 per cent of the electorate is in favour of halting Sweden's ambitious nuclear power programme and phasing it out altogether within 10 years; and anti-nuclear sentiment is expected to rise significantly in the final days before the referendum on March 23.

Only three referendums have been held in Sweden. They are merely advisory, but in the case of nuclear power, which has toppled two governments in four years, all five Parliamentary parties have agreed to abide by the outcome.

Voters are being presented with three choices, two of which would approve, in varying degrees, further development of nuclear power for 12 reactors during the 1980s.

The third choice, supported by Mr Thorbjorn Falldin, the centrist Prime Minister, calls for a halt to the programme and a 10-year phasing out of the reactors now on line. They include the controversial Barsebäck complex on Sweden's south coast only a few miles from metropolitan Copenhagen.

The "no" choice also rejects mining of Sweden's uranium deposits—Europe's largest—and stipulates stern energy conservation with a crash programme to develop renewable sources of energy, particularly solar power.

About 70 per cent of Sweden's energy requirements are met by oil, chiefly imported from the Middle East. Hydroelectric power is also important. Swedes are the biggest per capita consumers of energy in Europe.

If none of the three choices were to achieve a majority, the results would be difficult for the Riksdag (Parliament) to interpret.

Sweden's business community and the big unions officially favour expansion of nuclear power, as does the powerful Social Democratic Party led by Mr Olof Palme, the former Prime Minister.

Recently he described opponents of nuclear power as "enemies of the working class". Since his own party is seriously divided on the issue, Mr Palme's statement was considered ill-advised.

Throughout the 1970s the nuclear debate in Sweden has split political parties, the aroused public feelings in this environment-conscious nation.

In 1976 Mr Palme and the long-ruling Social Democrats were toppled on the nuclear issue in a general election by a coalition led by Mr Falldin. He campaigned on the basis of a deep personal commitment to ending the use of nuclear atom "mankind has intruded power, arguing that with the into a forbidden area".

But discord within his own coalition on nuclear power led to his government's resignation in the autumn of 1978. The small Liberal Party then formed a caretaker government.

After the Three Mile Island nuclear accident, which deeply influenced public opinion here, Swedish political leaders decided to submit the nuclear issue to a referendum. Atomic power thus played a small role in the general election last September, when Mr Falldin was returned as leader of a centre-right coalition.

In recent months Swedes have carried out significant energy conservation measures. Home owners are acquiring triple-glazed windows and prices have been dramatically reduced on domestic rail and air travel with improved services. The result is that both transport systems are in profit for the first time in years.

OVERSEAS

General blames Israel for impeding UN forc

From Christopher Walker
Jerusalem, March 10

The United Nations commander in southern Lebanon pleaded today for the world to intensify pressure on Israel to abandon its military support for the Christian militias controlling the border zone in southern Lebanon.

In an interview with The Times, Major-General Emmanuel Erskine said: "The situation is very disturbing. Until the attitude of Israel towards our mandate changes, things are at an impasse. We are now faced with a political problem which concerns not only the United Nations, but every country with an interest in the stability of an area which, if it explodes, could blow up the world".

The Ghanaian-born commander was speaking two years after his arrival to lead the United Nations Interim Force in Lebanon (Unifil), a body of 6,000 international troops required under United Nations resolution 425 to restore peace and security to an area regarded as one of the most violent and lawless in the Middle East.

"The international community should realize that the main problem facing Unifil is political, not military", he said. "The only way we can make progress and fulfil our mission is to move to the international border. But the Israelis will not permit it, so what can we do?

"Any military action on our part would only destroy the good that we have done to date."

Friction between the Israeli authorities and the United Nations has been continuous since June 13, 1978, the day when the last Israeli troops should have left Lebanon and handed over their positions to Unifil. Instead all were given straight to the Israeli-supported Christian forces, led by the renegade Lebanese Army officer, Major Saad Haddad.

"I am afraid that since that date, we have made no substantial progress in the sense of further deployment or control", General Erskine said. "Unless there is pressure on the Israelis for a change of heart it is hard to see how a solution can be found. At present, things do not look good."

The general accused the Israeli Army of continuing to man heavy artillery positions inside the Christian enclave in Lebanon which stretches for 60 miles from the Mediterranean to the foothills of Mount Hermon. The allegation is strongly denied by the Israeli authorities.

"The Israelis have always cooperated very closely the Christians and they freely in their area", Erskine declared. "It is cult for us to say whether or that individual position Israeli, but the fact is that gun positions in south Leba are manned jointly by Chris and Israelis."

He disclosed that earlier month the United Nations a strong protest to both Israeli Foreign Ministry and Israeli military about an dent in which Christian gun aimed tank and artillery fi the village of Haris, houses the headquarters Unifil's Dutch battalion.

One young Lebanese girl killed and five other civil injured.

Unifil troops come Norway, Ireland, Fiji, Sen Nigeria and Nepal, as wel Holland. French soldiers su the logistics and a helic fleet is operated by Ital Over the past two years individual units—partic the Scandinavians and Ir have been accused by Israelis of displaying Palestinian sympathies.

Today the general, a tall of 43 who bears the unmi able stamp of a Sandhurst ing, explained that Unifil's problem could have been nated if the force's or deployment had been prec by an international agree signd by Israel, Lebanon the United Nations.

He compared Unifil's pos unfavourably to that of Commonwealth peacek force which successfully vised the recent Rhod elections: "After the Lanc House conference, there political commitment by all parties, something th just do not have.

"Mugabe and Nkomo even giving orders that fighters would be shot if did not report to ass points. I wish we could that sort of support in Leb but it is not there be Israel will not respect mandate."

In spite of two yea political stalemate and shift living conditions, Ge Erskine contends that m among his troops remain

"You must remember when we entered the ar March, 1978, there was n in it but the bodies we to bury", he explained. over 80 per cent of Lebanese population ha turned, which means thanks to Unifil some 1 human beings are able t relatively normal lives."

French unlikely to invite Mr Arafat to Paris yet

From Charles Hargrove
Paris, March 10

A meeting in Paris between President Giscard d'Estaing and Mr Yassir Arafat, the leader of the Palestine Liberation Organization, which has been debated here and in the Middle East for more than a year, is unlikely in the near future. For Mr Arafat to be received in Paris would amount to a consecration by the French; and M Giscard d'Estaing is not going to meet Mr Arafat just to enable him to put another feather in his cap.

There had been rumours that the two would meet secretly during the French President's state visit to Jordan. The roumours discounted two facts: That such a meeting would have no point for Mr Arafat if it were not public and official; and that, as the French have insisted, it must make a substantial contribution to peace in the Middle East.

What that contribution might be has never been spelled out in Paris. It could not be a renunciation by the PLO of that passage in its Charter c for the elimination of the of Israel. But the PLO be ready to acknowledge as a negotiating partner. interview in Beirut for F television, Mr Arafat di categorically exclude the participation in negoti with Israel.

But he did refuse to en the notion of "recogniti the right for all the sta the region to live in peace in safe, recognized, and g teed frontiers"—the wor the Franco-Jordanian Com qué issued in Amman y day.

Mr Arafat thanked French President for statements on the Palest and the PLO. They had a strong impulse for the M East situation.

The French President's objective is to secure sion of Resolution 242, to for the self-determinatio the palestinians. That is he believes that the Eur Community under the infl of France, has a key ro play.

Fifth hijacking emphasize plight of Shi-ite people

From Robert Fisk
Beirut, March 10

Lebanon's Shi-ite community, ill-educated and largely confined to rural poverty in the south of the country, today staged another of its desperate, almost pathetic attempts to draw the world's attention to the disappearance of the Shi-ite leader, the Imam Mousa Sadr.

Four times, Lebanese Shi-ites had hijacked passenger aircraft in order to publicize their unique protest, and just after 9 am today a poorly dressed villager brought the score to five by pulling a 75p toy pistol on the crew of Middle East Airlines flight from Amman to Beirut.

The Imam, who was born in the Iranian holy city of Qom and who organized mass marches in the early 1970s on behalf of the deprived Lebanese Shi-ites, disappeared while on a visit to Libya in August 1978. His followers hold Colonel Gaddafi responsible.

Mousa Sadr was the only serious political leader whom the Shi-ites ever acknowledged in Lebanon—his portrait dominates villages here as the Ayatollah Khomeini's does in Iran—and during the civil war he supported calls for the entry of Syrian troops into the country.

This morning's hijack followed the erratic and curiously naïve pattern of earlier attempts to commandeer Middle East Airline's jet aircraft.

Shortly after take-off from Amman, the pilot was confronted by Mustapha Hammoud, an unshaven youth from the South Lebanese village of Beit Leif. He shouted to passengers that he was hijacking the aircraft but when he walked into the flight deck and was asked his chosen destination, he replied: "I don't know. M you should land at the ne airport".

On landing at Beirut, Hammoud handed his toy to a policeman and dema a press conference, whic was not granted. He wanted, he said, "to tell world about our Imam".

Just why Colonel Ga might have wanted to do with Mousa Sadr is un although popular rumour Beirut has it that Libyan m sent to the Imam for a Libyan political movement southern Lebanon had channelled instead to a Sh militia.

Since the Imam's disapp ance, Lebanon's Shi-ites looked to the Ayat Khomeini for spiritual le ship.

They have, however, rece little assistance from Iranians.

The Ayatollah's son pa brief visit to southern Leb and exhorted the Shi-ites to join in the fight ag Israel, and last autumn sev hundred volunteer Ira guerrillas set off for Leb to fight beside the Palestini

But few of them reached t destination and the Sh were anyway unhappy at idea of being enlisted i battle which would only w further devastation on t homes.

Israel's air raids on Leba usually inflict most damage the south of the country.

The Southern Shi-ites, th fore, look like becom another of Lebanon's bro communities whose despera will only find its outlet in country's routine public pro marches and in the occasio hijacking.

Uninspired candidates set Florida talking of icicles and oranges

From David Cross
Miami, March 10

After the snows of New England, presidential candidates used to find it very agreeable to travel south to the sunshine state for one of the country's first southern primaries.

After all, Florida was the state which helped to thwart the ambitions of such presidential hopefuls as Senator Henry Jackson, Mr Hubert Humphrey and Mr Edmund Muskie. In 1976 it played a major role in the securing party nominations for Mr Jimmy Carter and Mr Gerald Ford. Both men pulled ahead of their major rivals here.

This year, however, things are different.

The various presidential candidates have hardly been seen in the state, except on television. And the professional politicians are none too pleased about what has developed into something of a presidential backwater.

The voters are more interested in talking about the sudden frost last week which left icicles hanging from the orange groves, than the likely outcome of tomorrow's primaries.

The reasons for the general apathy which has surrounded the race to the White House here are clear. With the exception of Mr John Anderson, the liberal member of the House of Representatives from Illinois, those candidates still competing for their party's nomination are regarded as too uninspiring to awaken any great passions.

Most important of all, the likelihood of an upset when the votes are counted tomorrow is fairly remote. The pundits have long ago decided that the two front runners, President Carter and Mr Ronald Reagan, the former Governor of California, will simply reinforce their positions.

The only real question which remains is how well Mr George Bush, the former Director of the CIA will fare. He has long perceived Florida as his best bet in the South and he has spent large sums of money to build up an efficient organization in the state.

Much of the groundwork for his campaign here was laid last autumn when Florida Republicans held a series of party caucuses to demonstrate their preference for the presidential nomination. In the non-binding straw poll, Mr Bush finished surprisingly strong third behind Mr John Connally, the former Governor of Texas who withdrew from the election campaign last night after his poor showing in South Carolina.

Recent opinion polls here have shown that Mr Bush's powerful finish last autumn and early successes this year have carried through into March. Indications that he might even beat Mr Reagan, however unlikely this still appears, persuaded him to readjust his campaign schedule at the weekend so that he could spend a couple of days canvassing votes in the various parts of the state.

Yesterday he spent a couple of hours tramping the streets of Little Havana, the Cuban exile colony in central Miami, wearing a dazzling white Spanish style casual shirt and speaking to passers by in halting Spanish.

The Latin American community was celebrating one of its carnivals and Mr Bush rose to the occasion by unveiling his impeccable conservative credentials.

"I will not be taken by Fidel Castro (the Cuban leader)", he told a cheering crowd who had stopped dancing when one of Mr Bush's campaign aides grabbed the microphone from the lead singer of a Cuban rock group. "I am for a strong military and for the CIA", Mr Bush added.

His Republican rival also found time to take advantage of the festivities. Accompanied by shouts of "viva Reagan", the former governor laid a wreath in front of the Bay of Pigs monument and condemned President Carter's policy of "accommodation" with Mr Castro.

Mr Bush and Mr Reagan were the only two Republican candidates of any stature to campaign heer in recent days. Mr Anderson, who emerged as the only other leading contender from last week's primaries in Massachusetts and Vermont, toyed with the idea of coming here but preferred instead to concentrate his effort on next week's primary in his home state.

On the Democratic front, Senator Edward Kennedy graced Florida with his presence for just one day. When it became abundantly clear that he had no hope whatsoever of making any significant headway here against President Carter he switched the focus of his campaign to Illinois and New York.

In last Autumn's straw poll among Florida Democrats, Mr Carter trounced Mr Kennedy by a three-to-one margin and that was before Mr Carter's new found popularity in the wake of the crises in Iran and Afghanistan.

Some politicians here believe that Mr Carter's huge gaffe on the Middle East in the United Nations Security Council will lose him votes among the ormer New York Jews who have come south to retire.

Two other southern states also hold their primaries tomorrow and there is little doubt who the victors will be. Mr Reagon and Mr Carter willl both win handsomely in Georgia and Alabama.

Ford popularity: Former President Gerald Ford leads Mr Ronald Reagan?36 per cent to 32 per cent—among Republican voters asked which candidate they would prefer for the presidency this year, in a poll published today. It was conducted for the ABC Television network by the Louis Harris organization (Patrick Brogan writes from Washington).

Among Republican voters, Mr George Bush comes third, with 12 per cent and Mr John Anderson fourth, with 10 per cent. When Republicans and independents are polled together, the figures are Ford 33, Reagan 27, Anderson 15 and Bush 14 per cent.

The same poll shows Mr Ford comfortably ahead of President Carter, 54 per cent to 44. But Mr Reagan far behind him, 40 per cent to 58.

South Carolina Primary, Table of Results

Reagan, 78,854 votes	(54%)
Connally, 43,040 votes	(30%)
Bush, 21,458 votes	(15%)

Mr Reagan won all 25 delegates to the Republican National Convention.

Quebec in run-up to referendum on future

From Anne Penketh
Montreal, March 10

The referendum debate in Quebec opened last week. It was the start of a process which will culminate in June, when Quebecers will be formally consulted, for the first time in their history, on the future of their province in the Canadian federation.

The Referendum Act, passed in June, 1978, provides the legislation enabling the Government to hold a referendum and sets out the rules governing the referendum period. Once the final text of the question has been adopted, committes for the "Yes" and the "No" votes will be formed and led by members of the Legislature who register in favour of one or other of the options.

Hence if Mr Pierre Trudeau, the Prime Minister of Canada and a voter in Quebec, came to Quebec to support the "No" vote, he would have to do so through the appropriate committee.

The debate now taking place in the Legislature, with a 35-hour time limit spread over three weeks, is in theory on the question itself, but the Parti Québécois has been taking advantage of television to advance its arguments for what it calls "sovereignty association".

It has been left to the Liberal opposition to criticize the wording of the question which Mr Claude Ryan, the leader of the "No" committee, called "dishonest and fraudulent". He proposed that its long preamble, which defined sovereignty association, should be simplified if not eliminated, and that voters should be given a straightforward option.

Mr René Lévesque, the Quebec premier, opened the debate with a rather subdued speech in which he outlined the historical perspective to sovereignty association and reassured voters that a "Yes" vote in the referendum would not effectively abolish Canada. All the Parti Québécois members have taken their cue from him, pointing out the advantages of a politically sovereign Quebec that would still maintain economic links with the rest of Canada.

In a carefully plotted strategy the Parti Québécois concentrated for the first week on economic affairs and will move on to discuss the constitution this week.

Allotted half the time given to the PQ, the Liberals have been less organized and united in the debate, reacting for the most part to the statements made by their opponents, but two seams have nevertheless emerged. The first is that the question itself is biased in favour of sovereignty association.

"There is no reference to the fact that a "Yes" would lead to a rupture with the federal system", Mr Ryan said. The second main theme developed by the Liberals emphasizes the advantages of belonging to the federation on the understanding that some revision is made in the future to revitalize provincial-federal links.

Tobacco crop ruined

Havana, March 10.—Cuba normally a tobacco exporter, will have to import the commodity this year because blue mould disease has left only 10 per cent of the crop intact, President Castro said last night.

Already in America people are as suspicious of television as they are of their politicians

Los Angeles: booming city on the electronic frontier

From William Rees-Mogg
Los Angeles, March 10

Despite an incipient recession, high inflation and an 18 per cent crime rate, southern California is still a boom area. Last Sunday's Los Angeles Times ran to 522 pages, divided into 23 different sections.

In the real estate section, one agent was offering three houses in Beverly Hills priced at more than two million dollars. The publisher, Mr Otis Chandler, who is to be succeeded by Mr Tom Johnson next month, announced on the front page of the business section a $215m expansion programme, including the construction of a second satellite printing plant in the San Fernando Valley, and conversion to offset printing at the downtown Los Angeles plant.

"Offset printing", the announcement states, offers "faster, more flexible type setting and composition methods, and clearer, cleaner appearance of newsprint."

The prosperity and growth of the Los Angeles Times reflects the prosperity and growth of the Los Angeles community. The Los Angeles Times is, however, one of the few American papers that has used its prosperity to provide a more international and more serious coverage.

The lead story last Sunday was written from Beirut on the relationship between the European Community and the PLO. Immediately under the lead was a double column story from William Tuohy, their staff writer in London, on Mrs Thatcher's attitude towards the replacement of Polaris. The front page contained three international, two economic, one legal and one construction industry story. That is a serious front page for a Sunday edition with a circulation of 1,344,000 in a single area, and it certainly justifies the Los Angeles Times claim to be regarded as one of the major serious newspapers of the world.

The Los Angeles Times is probably the institution which does most to define and describe the Los Angeles area. It is odd that it should be so because Los Angeles is an electronic rather than a print city. Indeed it is the electronic city of the world. An important part of the prosperity of the area is based on the electronic industry proper and Los Angeles is unique in the combination of its research and manufacturing role in advanced electronics, and its post-Hollywood role as the originator of much of what appears on television. It invents systems of information, makes them and uses them.

The people who are most involved in electronics are most aware of the possible social dangers of their work. When I visit Los Angeles I naturally call on Systems Development Corporation, whose electronic composing room has been bought for The Times. One of their executives has volunteered to teach the economics of free enterprise—how the business system actually works—in a local high school. Its class is 60 per cent black, with the remainder largely Hispanic or Asian. It is a poor neighbourhood, though employment is good. In that class less than half come from homes which take a newspaper.

His students derive their knowledge of the world from television, and apparently watch the local rather than the national news programmes. They are not hooked on the grey and statesmanlike tones of Mr Cronkite. Los Angeles has recently had a number of big local news stories; floods came and swamped the sewage works, and left 200 miles of Pacific beaches public health hazards. The local news hour, from six to seven, is strong on such news but does not apparently give much of a world picture at the best of times.

Systems Development are now starting to take orders for a new invention, which they demonstrated to me, in electronic filing systems. It has definite advantages over a paper filing system, particularly in; terms of recall. It can select all the references to a particular subject contained in the system. It is however, an alternative to a paper filing system; there is a choice between electronic and text methods; I suppose electronics, with its higher productivity and greater range of information, is going to win many of the battles, certainly in office organization.

Yet it is difficult to say that one knows something that has appeared on the screen in the way that one can learn something that has been written down on a piece of paper. There is real information loss to balance the real information gained. The people of Los Angeles are uneasy about the education of their children. Are they becoming too dependent on the vivid presentation of limited pieces of visual information? Are they losing the capacity to build knowledge that book learning used to give? Are they manipulated, politically, commercially and even morally by television?

Los Angeles is a strangely fluid society, living on the open electronic frontier, lacking in definition and roots, but generous to all possibilities. Some of its admirers call it a crazy city. In fact it is a city which seems to enhance the creativity of the mature, but can endanger the development of the immature. Neither in its architecture nor in its ethics is one conscious of boundaries; the absence of boundaries creates a simultaneous sense of opportunity and danger.

Certainly the people of Los Angeles have acquired the equivalent of a street wisdom about the electronic media. The most interesting item I have seen on television here was an analysis of the symbolism of the commercials put out by candidates in the primaries. Most of the commercials are very funny, being both pompous and inane, but they become more interesting when one turns from the candidates in the foreground to the background scene.

The candidate often appears with a child or children—being a good family man. He is sitting in a library with leather bound books—he can read. He is behind a desk—he can write. He is wearing horn-rimmed spectacles—he is an intellectual. They are made of plastic—he is concerned with the ecology of turtles. He has the stars and stripes tastefully draped just in camera shot—don't we all fly flags in our libraries? He has a bright coal fire burning in the grate—he is a warm hearted man who believes in the traditional values, possibly including air pollution.

I do not think this works in the rest of the United States. I am sure it does not work in Los Angeles, where too many people are too aware of what is being put across to them, are too conscious of the skills of manipulation. Already in America people are as suspicious of television as they are of their politicians. As far back as 1978 the National Opinion Research Centre found that only 14 per cent had "a great deal of confidence" in television; only 13 per cent had confidence in Congress and government, while 21 per cent had confidence in the press.

When one gets away from the media to the ordinary American, one finds that he has an independent and entirely reasonable view of the matters that reach to him. When I went to the Getty Museum on Saturday morning, I asked the taxi driver whom he would like to see as the next president. "Ford", he said, "because he is an honest man and did a good job cleaning up after Watergate".

That at least is the sensible view with the merit of being true to the facts. Yet as for the presidential candidates in general, the view in Los Angeles is the same as in San Francisco.

In the words of Governor Brown, the father, not the son, "they don't like any of them".

I am afraid they do not.

A parched land faces new Thai Premier

From Neil Kelly
Bangkok, March 10

The worst drought Thailand has known for 10 years is confronting General Prem Tinsulanonda, the new Thai Prime Minister, who is still trying to form his first Government.

More than 8,000 square miles of rice, maize and fruit have died or are dying in the central plains, the main agricultural area. Water for farming has dropped by half. This will reduce the second rice crop to a fifth of its normal yield.

Government departments are trying to find work for farmers forced to abandon crops.

Waterworks in several areas north of Bangkok have ceased operating because their sources have dried up and water levels in the two largest hydro-electric dams are almost at the point where no more water can be released to generate power. This has lead to official warnings of nightly blackouts at the peak evening period in Bangkok in April and May.

General Prem, hoping to form his Government later this week, has ordered stronger anti-aircraft defences to the Kampuchean border. A military spokesman said Thai aircraft flying in their own airspace near the border recently came under ground fire from inside Kampuchea.

He said Thai forces would in future retaliate against such attacks.

General Prem also announced that conscription into the army this year would be increased by 6 per cent.

In a separate statement, the Thai Supreme Command said yesterday that Vietnamese forces had used some form of gas against Kampuchean guerrillas near the Thai border. Major-General Korbboon Pattanabut said the gas produced dizziness but had caused no deaths to his knowledge.

Sri Lanka affected: About 150,000 acres of prime tea in central Sri Lanka is threatened by drought, the worse the country has suffered this century, an official spokesman said today.

Production over the last month has dropped by an estimated 40m pounds. Hydro-electric power supplies have also been effected and the Government has asked people to restrict their use of electricity and water otherwise they face cuts.

Japanese quins

Kagoshima, Japan, March 10.—A woman gave birth to quintuplets at a Kagoshima hospital today, and doctors said the babies, two boys and three girls, were in good condition. They said the mother had taken fertility drugs.

Mr Demirel promises unrelenting war against Turkish terrorists

From Sinan Fisek
Ankara, March 10

Mr Süleyman Demirel, the Turkish Prime Minister, today concluded a series of three press conferences aimed at explaining the first 100 days in power of his conservative minority government with the promise that "he will make terrorists sorry they were ever born".

Mr Demirel's first two meetings with the press at the weekend were to explain his recent economic measures—liberalization, new openings to foreign capital and a massive devaluation and future investments.

The political violence which has claimed about 3,000 lives in slightly more than two years was today's topic. "Our greatest achievement in this field", he said, "has been to establish the will of the state to fight against its enemies.

"If we have not met with total success in the first 100 days of our fight against the conflagration . . . the reason is that the flames are much too high and that we ahve not yet had sufficient time to obtain the necessary results after having instilled the will and the cooperation required to combat terrorism".

Another important achievement of this three-and-a-half months old government was the arrest of 2,599 people, "militants or leaders of underground terrorist oraganizations". This would allow for "terrorist groups, and not only individuals, to stand trial before martial law courts".

Mr Demirel said that the names of about 3,000 people who had escaped from prison over the past few years would soon be announced over the state radio and television network. "If they do not give themselves up within a month", he added, "they will be shot on sight".

No one should be surprised by his harsh tone concerning terrorists, the Prime Minister said, asking: "What am I expected to do? Send them flowers?"

"Those who shoot the soldiers, the policemen and the gendarmes of the state will suffer at our hands", he said. "It is unthinkable that the state should cringe with fear before a handful of thugs and murderers."

Taking Istanbul as an example of the army's role in attempting to maintain law and order, Mr Demirel said: "There are 11,000 streets in Istanbul. Fifteen thousand soldiers, 700 non-commissioned and commissioned officers and 15 generals are at work to make these streets safe for the people. We will do everything in our power—not only the government—but the nation as well—to ensure their success."

Mr Demirel said that he had not been able to find common ground with the main opposition, the social democratic Republican People's Party (RPP) led by Mr Bulent Ecevit, the former Prime Minister, to enact a new state of emergency law and to reinstate the State Security Courts.

"The martial law tribunals now functioning," he said, "receive an average of 80 new cases a day, but can only reach judgment on eight. This means that we are still a state which is unable to mete out punishment."

Mr Demirel also criticized Mr Ecevit for having given amnesty to former political offenders of the 1971 to 1973 period of military rule in Turkey, whom he blamed for the fresh wave of violence.

Observers here thought it unlikely that Mr Demeril's statements would receive the backing of Mr Ecevit, whose party still holds the largest number of seats in Parliament.

It was unlikely to see, for example, how the RPP could condone Mr Demeril's statements today that the state intelligence organisation MIT should be more domestically-orientated, they said.

Mr Demirel told the press: "It is unthinkable that the intelligence service should be aware of tribal conflict in Angola and not of what is happening right under their noses in Ankara itself."

The violence, meanwhile, continues. Terrorists in Istanbul opened fire on a crowded shopping area, this evening, killing, according to first estimates, at least four people.

Reforms in El Salvador likely to inflame right

From Stephen Downer
San Salvador, March 10

If El Salvador did not have such a long history of violence, the agrarian reforms introduced last week by the ruling junta could have been expected to defuse an explosive social and political situation. As it is, many people fear that the reforms will increase tension.

The junta of two colonels and two civilians—a third civilian resigned last Tuesday, apparently because his life had been threatened—had no choice but to make the changes.

When it took power on October 15, after President Carlos Humberto Romero was overthrown in a bloodless coup, the junta promised "to adopt measures that will lead to an equal distribution of national wealth and, at the same time, increase the gross national product's growth".

They were in a hurry because feuding extremists from the right and left were involving the country in increasing violence.

Encouraged by the United States, the junta pushed through the reforms, changing in a brief flurry of pens, the history of Central America's smallest country.

Such was the dominance of an elite group, that an American journalist wrote a year ago that El Salvador was run by 14 families.

In 1932, when peasants, students and workers banded together, the Government sent the Army to quash them. About 32,000 people were killed.

Landowners later established organizations to hunt down and murder alleged leftist agitators.

In the past few years popular groups have become increasingly militant, engaging in kidnappings, bombings and murder.

On Thursday, the junta expropriated 376 of the country's largest farms and announced that the land would be turned over to peasants' organizations. Expecting trouble, the junta also declared a 30-day state of siege, suspending all constitutional guarantees.

The amount of land involved is 224,083 hectares, about 60 per cent of El Salvador's best farming land. Compensation will be paid, the junta announced, in "agrarian reform bonds". However, many of the former landowners are expected to lose heavily because compensation will be based on the value of the properties declared to the authorities in 1976 and 1977. Many were apparently undervalued.

The expropriation delighted leftists, some of whom started occupying farms illegally late last year. However, there are fears that the reforms could bring about a violent repression of the peasants by people who refuse to accept change.

The apprehension of moderates who favour the reforms stems from the fact that, since last year's coup, repression by the Army and other security forces allegedly has increased.

Churchmen and intellectuals estimate that 600 people have been killed this year, 500 of them from the left.

The junta, which includes a Christian Democrat and an independent, claims the security forces have been provoked by "intransigent members of the left and right".

Colonel Adolfo Arnoldo Majano, a member of the junta, said: "We respect their right to dissent but this expression should be manifested within the limits of political struggle and not of violence."

He added: "We are seeking a genuine democracy, which has a deep sense of social justice."

University staff held in Tokyo over exam papers

Tokyo, March 10.—Waseda University of Tokyo, one of the most important private universities in Japan, has found itself involved in a scandal over leaking of entrance examination questions.

Three university employees were arrested last week on charges of stealing printed test papers on four subjects for the commerce faculty and selling them to 10 candidates for a total of about £176,000. A professor at the university has admitted being involved in the case.

A Japanese businessman is alleged to have offered about £35,000 as a reward for stealing the test papers. The university is one of the most difficult to enter in Japan.—Agence France-Presse.

Turin arson attack

Turin, March 10.—Four armed left-wing extremists broke into a property company's offices here today, scrawled on the walls, and set fire to it before escaping.

China's aging leader urged to hand power to young

Peking, March 10.—China's Communist Party newspaper today called for aging Chinese leaders to hand over power gradually to younger people in order to ensure a stable succession.

The People's Daily said in a front-page editorial that "old comrades" had a responsibility to pass on their experience to younger cadres so they could carry our China's modernization programme.

"A good way to pass on experience is to let a batch of selected young people occupy the front line while old comrades withdraw to the second and third ranks", it said.

The editorial emphasized the importance of collective leadership, and gave a warning against promoting biased people or opportunists who would agree with anything just to get to the top. "In the past the emphasis was on individual succession, and not collective succession", it said, adding that there should be a smooth and stable transition and not an abrupt change.

"We must increase our vigilance against those political opportunists who set their sails according to the prevailing wind and on questions of principle do things only to please those in charge", the editorial added.

Mr Deng Xiaoping, the senior Deputy Prime Minister, is reported to be concerned about ensuring the right kind of successors at all levels, as Communist leaders who fought during the revolution gradually die off.

At a recent meeting of the party's Central Committee a new secretariat was set up to handle the party's day-to-day affairs. Its 11 members were mostly in their early sixties, which is young by Chinese leadership standards. Mr Deng himself is 76.—Reuter.

Cardinal's visit: Cardinal Franz König, the Archbishop of Vienna, arrived in Peking today, where he is scheduled to have high level talks. He is the second Roman Catholic cardinal to visit China in the past few days.

Mrs Gandhi seeks prices aid for small farmers

From Kuldip Nayar
Delhi, March 10

Mrs Indira Gandhi, the Indian Prime Minister, called upon the United Nations Food and Agriculture Organization (FAO) to work for an international agreement to limit the price of farm raw materials.

Such an agreement was necessary to bring the prices within the reach of small farmers, Mrs Gandhi said at the plenary session of the FAO regional conference here.

The desire to profit from poverty seemed to be strong among the affluent nations and also among "affluent sections of our own population", she added. How else could the enormous rise in the price of essential materials such as fertilizers during the last year be explained? "Can the small farmer, who is too poor to buy inputs and too weak to take risks, afford high costs?"

Mrs Gandhi suggested that countries in the region should turn the difficulties caused by the rising cost of petroleum products into an opportunity to conserve energy and apply recycling methods. The same difficulties, she pointed out, had increased the demand for natural rubber, jute, cotton and other fibres.

"In order to roll back the tide of hunger and malnutrition, to raise levels of investment, production and food security for the impoverished millions . . . we must pool our endowments and experiences, and create an enduring machinery of powerful mutual partnership", she added.

How precisely this goal could be reached was the concern of everyone at the conference. India would play its part in such an endeavour, she said.

Mr Edouard Saouma, the Director-General of FAO, emphasized the need for greater efforts to fight hunger and malnutrition in order to preserve peace and stability and he commended the efforts of India to increase food production.

The conference is attended by delegates from more than 25 countries, about 10 of which have sent ministerial level delegations.

Author allowed to leave East Germany

From Our Correspondent
Bonn, March 10

Herr Klaus Schlesinger, an East German author and his wife, the song writer, Bettina Wegner, have been given permission to leave East Germany for three years.

Herr Schlesinger, aged 43, was expelled from the East German Authors' Association last year. The couple are expected to live in West Berlin.

Other East German authors are believed to have applied for exit permits, but the Government has yet not approved any other applications.

Japanese hostages freed

Tokyo, March 10.—A knife-wielding robber was arrested today after holding 20 bank clerks hostage here for five hours. He had demanded a ransom of more than £500,000. The police said one of the hostages had been injured.

Empires speak alike in mourning their Afghanistan dead

From Robert Fisk
Peshawar

If you stand among the graves of the old British cemetery here, beyond the overgrown Victorian wooden gateway and beneath the rosewood trees with their bazaars of tropical birds, you might wonder how the Russians are burying their dead. How is the Soviet Army inscribing the bleak tombstones of the young soldiers who are dying just north of here in the mountains of Afghanistan?

The British did it in style, of course, although upon their graves the explanation of sudden death is couched in the florid, overconfident language that the Empire unwittingly encouraged.

Take, for example, Major Robert Roy Adams, of Her Majesty's Indian Staff Corps. The former Deputy Commissioner of the Punjab now lies beside the Khyber road, a canyon of traffic and protesting donkeys whose din vibrates against the cemetery wall. According to the inscription on his grave, Major Adams was called to Peshawar "as an officer of rare capacity for a frontier. Wise, just and courageous, in all things faithful, he came only to die at his post, struck down by the hand of an assassin".

He was killed on January 22, 1865, but there is no clue as to why he was murdered. Nor are there any explanations on the other gravestones. In 1897, for instance, John Sperrin Ross met a similar fate, "assassinated by a fanatic in Peshawar city on Jubilee Day".

A few feet from Ross's grave lies Bandsman Charles Leighton, of the First Battalion, the Hampshire Regiment, who was "assassinated by a Ghazi at this station on Good Friday".

Perhaps politics were left behind at death, although it is impossible to avoid the similarity between these outraged headstones and the sharp language of those Tass news agency reports from Kabul. The great-grandsons of the Afghan tribesmen who killed the British are now condemned by radio Moscow as fanatics and assassins. One empire, it seems, speaks very much like another.

To be fair, the British did place their dead in some historical context. Beneath a squad of trees lie privates Hayes, MacLeod, Savage and Dawes, who "died at Peshawar during the Frontier Disturbances 1897-1898".

Not far away is Lieutenant Bishop, "killed in action at Shubkudder in an engagement with the hill tribes, 1863". He was aged 22. Lieutenant John Lindley Godley, of the 24th Rifle Brigade, temporarily attached to the 266th machine-gun company, suffered a similar fate at Kacha Garhi in 1919.

There are other graves, of course, innocent mounds with tiny headstones that contain the inevitable victims of every empire's domesticity. "Beatrice Ann, one year and 11 months, only child of Bandmaster and Mrs A. Pilkington" lies in the children's cemetery with "Barbara, two years, daughter of Staff Sergeant and Mrs P. Walker". She died three days before Christmas in 1928.

There are young men who succumbed to the heat and to disease. Private Tidey, of the First Sussex, died from heatstroke and Private Williams, of the Second Staffs, died of enteric fever.

E. A. Samuels, of the Bengal Civil Service, died "from fever contracted in Afghanistan". Matron Mary Hall, of Queen Alexandra's Military Nursing Service—whose service in Salonika and Mesopotamia presumably included the Gallipoli campaign—died "on active service" in Peshawar in 1919.

There are a few unexpected tombs. The Very Rev Courtney Peverley is here. He was the Administrator Apostolic of Kashmir and Kafristan and he clearly worked hard because beyond the British headstones are new graves for Peshawar's still extant native Christian community, paper crosses and pink flags draped in tribal fashion beside the freshly dug holes.

Many imperial graves exhibit their own self-confidence. The most popular quotation to be found beneath the rosewood trees is from the Book of Revelations: "Blessed are the dead that die in the Lord".

And there is a Gaelic cross on the top of Lieutenant-Colonel Walter Irvine of the North-West Frontier Police "who lost his life in the Nagoman River, when leading the Peshawar Vale Hunt, of which he was master". A Soviet epitaph of this kind is unlikely.

Korchnoi retains initiative in candidates' match

From Harry Golobek
Chess Correpondent
Velden am Wörthersee
March 10

The outcome of the quarter-final candidates' match for the world championship here is still undecided, with both Viktor Korchnoi and Tgran Petrosian having secured one point each.

Two games have been played so far in this match, which is probably the most important of the quarter-finals as it is generally thought that its winner should win through the whole series of matches to confront Anatoby Karpov, the world champion, next year in a match fr the title.

Korchnoi, the self-exiled Russian grandmaster, won the toss for having white in the first game, which opened on Saturday before a full audience in a small theatre in the centre of this pleasant little spa. He played a kind of Queen's Gambit that transposed into a Grunfeld defence.

The pace of the early part of the game was slow but towards the end of the session Korchnoi launched a massive attack that looked to be winner. But he got into time trouble and on adjournment the position—though still better for him— did not look securely won.

Yesterday, the second game was played with Petrosian, the former Soviet world champion, having white and Korchnoi using with the Nimzo—Indian defence, the short, featureless game wa quickly drawn. Neither player spoke to each other but Petrosian indicated the offer of a draw by signs.

Today, the first game was resumed and Korchnoi fought hard to try to extract a draw but after two and a half hours' play he came to me and said: "I offer him a draw". I conveyed this offer to Petrosian who at once agreed.

fashion with two games being played in succession and the next day being devoted to adjourned games, with one free day every seventh day, until 10 games have been played.

OVERSEAS

Pakistan puts faith in non-aligned status and moves away from US

From Richard Wigg
Islamabad, March 10

President Zia ul-Haq of Pakistan today distanced his country still farther from accepting United States military assistance to meet a potential threat after the Soviet invasion of neighbouring Afghanistan.

Speaking in Lahore, General Zia told reporters Pakistan would not reconsider its rejection of American military aid even if the amount were increased by Washington.

The basic question, he said, was how best Pakistan could safeguard *its security and* combine it with the country's non-aligned status and place within the Islamic community of nations. With the exception of Turkey, he pointed out, all the 42 countries belonging to the Islamic Conference were non-aligned.

With the Soviet Union and the United States evidently in mind, President Zia declared: "We want to be neither in someone's bag nor to become the protégé of some other power."

Last week, Mr Agha Shahi, the President's foreign affairs adviser who functions as foreign *minister, indicated* that Pakistan was not interested in obtaining American military and economic aid worth $400m (£175m) because, he claimed, this package was not remotely enough to shore up Pakistan's security vis-à-vis the Russians, while the conditions under which the Americans offered it were too restricting on Pakistan's independence.

Nevertheless, it was believed in diplomatic circles here that General Zia might be tempted to reconsider the decision, which would do no harm in a bargaining process, if the offer were subsequently increased *substantially. His remarks today* appear to rule that out.

General Zia seems to be taking his stand with an eye on his fellow generals who might be tempted by American *military assistance* to modernize their forces, while at the same time firmly committing the military regime to the non-aligned and Islamic nations.

In the immediate aftermath of the Soviet invasion of Afghanistan there was a lot of talk here about what effective assistance these two groups of nations could provide compared to the United States. But now Pakistan is clearly pinning its hopes on the oil-rich Islamic nations, headed by Saudi Arabia, to provide the financial assistance with which to buy arms.

President Zia today argued for "total independence" for Pakistan, insisting that a country of 75 million people must be able to stand on its own feet, respecting other countries and in turn respected by them.

In many ways, the rejection of the $400m American aid package means a most serious immediate loss for the country's economy. If the arms deal had gone through it would have had a political impact, of the kind Pakistan now apparently rejects, but no actual arms deliveries would have come through before next year.

Amid the bitterness Pakistanis feel about the size of the *American offer* and the conditions insisted upon in return, the United States Treasury's refusal to countenance the rescheduling of Pakistan's pressing foreign debts rankles considerably.

It is still not quite clear what Pakistan's military regime is hoping to achieve by way of a *modus vivendi* with the Soviet Union. There has evidently been much debate in the military hierarchy, with one of the unmentioned factors behind the rejection of American aid on the terms offered being a reluctance to get too much involved in the Afghan question and so arouse the *ire of the* Soviet Union.

General Zia, who has spoken in the past few days of having an "open door" policy towards the Soviet Union, today pointed out the Russians' assistance in building Pakistan's first steel plant outside Karachi.

Last year, he said, the Soviet Union had given one of its largest assistance programmes to Pakistan for the *project*. The remark could also be taken as a hint to the rich Muslim countries not to be slow to assist economically vulnerable Pakistan.

President Zia is trying to walk a diplomatic tightrope, for he is also planning to visit China next month or in May even though this is hardly the way to ingratiate his country with *the Russians*.

Nuclear programme: General Zia said today Pakistan was determined to continue its nuclear development programme speedily for peaceful purposes as it was vital for the country's economy. He told a convention of engineers in Lahore that Pakistan's conventional energy sources of hydro-electric power, natural gas, and coal were insufficient for its requirements, while oil production was meeting hardly 13 per cent of Pakistan's needs.

Pakistan was trying to acquire nuclear technology for development projects of "extreme and vital national importance", he said.—Reuter.

Amin tanks cause trouble to three countries

From Ian Murray
Paris, March 10

An international legal tangle, caused by the fall from power of former President Idi Amin of Uganda, has resulted in a French cargo vessel being held hostage in a Libyan port while damages are sought from the South African Government.

The cargo at the centre of the tangle was a shipment of Russian-made arms ordered from Libya by the former President. The Marseille-Fret Company, a French firm which specializes in the Libyan trade, was chartered to ship the cargo to Mombasa.

Ten Russian tanks and 150 tons of ammunition were loaded into the vessel, the Astor, in March with instructions to sail as fast as *possible to Mombasa*. By the time it arrived on April 11, however, it was too late because that was the day on which the Amin regime fell.

The Kenyan authorities told the *captain that* since they were strictly neutral they would not allow war material to be taken across Kenyan territory to Uganda. The Astor headed back to Libya.

But it had to stop in Durban to refuel and there the cargo was confiscated by the South African "Armscorp", which made out a receipt and undertook to pay.

The Astor returned to Libya but the Government-owned chartering agents, Ras-el-Hilal, refused to pay the freight charges. "Armscorp" undertook to pay them.

In October, however, Le Rove, another of the French company's *ships*, was seized when it arrived in Benghazi because the Libyan Government said that "Armscorp" were refusing to pay as much for the *tanks as they were worth*.

Ever since then Le Rove has been stuck in Tripoli harbour. The tension between France and Libya after the attempted Libyan-backed coup in Tunisia in January has made fruitless all diplomatic overtures to free the ship.

The five officers left on board continue to wait as Marseille-Fret begins the daunting task of persuading the South Africans to pay more to the Libyans for their Russian tanks.

Lorry kills 11 in crowd

Bangkok, March 10.—Eleven people died and 35 were seriously injured when a lorry driven by a schoolmaster, alleged to have been drunk, crashed into a crowd of 1,000 people watching an open air film show at Chaiyaphum, north east of Bangkok.

Low rainfall hits power supply to nation's industry

From Our Correspondent
Nairobi, March 10

Electricity cuts imposed throughout Kenya last month, because low rainfall has reduced output from hydro-electric power stations, are hitting industrial production. *Factories* have been warned not to try increasing production by working at night because this will lead to further cuts.

At the weekend, President Moi visited the Kamburu hydro-electric station on *the slopes* of Mount Kenya and expressed concern at the low water levels. Three of the station's four generators have been closed down.

The water level in the main dam at Kamburu is less than half the normal 55ft. Other hydro-electric stations are similarly affected. The situation is exacerbated by heavy silting in feeder rivers.

Kenya's warm welcome for Ugandan President

From Our Correspondent
Nairobi, March 10

President Binaisa of Uganda, who is under intense political pressure at home from a wide range of opposition groups, flew here today and received a warm welcome from President *Arap Moi and his ministers* before taking part in several hours of private discussions with the Kenyan president.

It was the first visit to Kenya for talks by the Ugandan President *since his accession in June*. In the last few weeks, a rift has developed between Uganda and Tanzania, although Tanzania has maintained a strong influence in Uganda since its *army overthrew President Amin* nearly a year ago.

President Nyerere of Tanzania is reported to have threatened to withdraw his large force of troops from Uganda because of the political bickering

President Binaisa is still heavily dependent on the Tanzanian troops for internal security, although several thousand Ugandan troops have completed their training in the last few days.

President Moi greeted President Binaisa at the airport here with a guard of honour and traditional dancers.

There is strong speculation here that President Binaisa wants Kenya to send troops to Uganda on a *peace-keeping* mission.

But Kenya would be unlikely to accept such a proposal which would further complicate a difficult political situation with *Tanzania. Tanzania is hostile to* Kenya, and closed the border between the two countries three years ago after accusing Kenya of bringing about the collapse of the East African Community in 1977.

Manhunt ordered after 30 die in Philippine explosions

Manila, March 10.—The casualty toll from yesterday's grenade attacks in two southern Philippine cities rose to 30 dead and 257 injured today, according to the official Philippines News Agency.

President Ferdinand Marcos has ordered a search for the perpetrators of the attacks, one inside a packed cinema in Ozamis city, the other, five hours later, in the Iligan city square, where a big crowd was watching a singing contest.

The attacks came a month after similar grenade incidents which left seven dead and 150 injured in the southern provinces of Davao and Cotabato.

The President blamed those explosions on the Moro National Liberation Front, (MNLF), an umbrella organization for several Muslim guerrilla groups, and on the Maoist New People's Army.

Also in the south, Muslim insurgents have killed 25 soldiers in a two-day wave of attacks, military officials said today. The MNLF recently raided four army outposts in the Sulu archipelago, 530 miles south of Manila.

Yesterday's attacks at Ozamis and Iligan, on the island of Mindaneo prompted the army to rush reinforcements to the area.

Anti-corruption force engages 21 British detectives

From Our Correspondent
Hongkong, March 10

Hongkong's Independent Commission Against Corruption has engaged 21 British policemen, who are all detective sergeants or detective inspectors.

More than 180 police officers applied for the Hongkong postings. The present strength of the commission's operations department has recently shrunk to 576 officers from its original establishment level of 630.

The decline was mainly due to the departure of other British police officers whose contracts had expired or who had returned to posts of promotion in Britain.

Court wrangle over oil man's estate

From M. G. G. Pillai
Kuala Lumpur, March 10

An unusual case opened in a Singapore court today involving two families of a minor Indonesian official, a Japanese bank, an Indonesian oil company and an estate valued at more than $80m (about £36m). The result of the case could create reverberations throughout the Indonesian corridors of power undermining the Administration of President Suharto.

The case has already caused the usually respectful and deferring members of the Indonesian Parliament to ask awkward questions. A group of them has formally asked to reopen the inquiry into the 1976 *collapse of the government*-owned oil company, Pertamina which reneged on its debts and other obligations and nearly brought Indonesia to the brink of bankruptcy.

The man in the centre of that dispute, Haji Achmad Thahir, died in 1976. A minor Pertamina official based in Singapore, he was a close confidant of the oil company's former president, General Ibnu Sutowo, who was dismissed after the débâcle but not accused of any wrongdoing. At no time did Haji Thahir officially earn more than $600 a month when in Singapore, but he left a fortune in a Singapore branch of a Japanese bank, all in negotiable certificates of deposits.

The case came into the open when his second wife laid claim to the funds and his first wife and three sons moved to share in the proceeds. (As a Muslim, Haji Thahir was entitled to four wives.) At this point, the bank asked for a court declaration in Singapore concerning the dis*posal of the assets and this was* followed by a claim to the estate by Pertamina.

The deposition in Singapore on behalf of Pertamina alleges that the money was "almost certainly" obtained through "illegitimate means". General Piet Haryono, the president of Pertamina, has refused to answer questions on the case either to members of Parlia*ment or anybody else*.

Since his dismissal, General Sutowo, an army doctor and a close friend of President Suharto, has disappeared from public view. He denies any wrongdoings and has indicated to his advisers that he would welcome a public inquiry to clear his name.

Indonesia has begun the run-up to the 1982 parliamentary election, and the Opposition is suggesting that President Suharto's Administration has neither the political will nor the desire to clean up corruption, because some top officials may be involved.

There are suggestions that the Thahir case is only the tip of the iceberg of corruption in Indonesia. It is an open secret that a number of foreign companies interested in exploiting Indonesian mineral and other resources have not balked at bribing their way through to concessions and contracts.

Fashion

by Prudence Glynn

Charles Jourdan open their new ready to wear shop at 39-43 Brompton Road on March 24.

Right: Leather jacket with zip-off *sleeves transforms into gilet* £545. Suede trousers £195. T shirt £24.50. Loafers £49.50.

Above: Silk jersey dress, can be worn buttoned in front or behind £76.50. Leather belt £24.50. Perforated *kid* gloves £29.50. Kid shoes with silver trim £58. Matching clutch bag £59.50.

Photographs by Peter Akehurst. Makeup by Maria Grazia Parisi.

What's in a pair of jeans, apart from the possibly unsatisfactory shape of oneself? Social comment—the joke of the rich and idle wearing the togs of the worker? Convenience—the only really durable, washable no-need-to-press material? An anti-*fashion status* statement—the comment on how we want to dress for now?

What is in jeans now is a NAME. Little did Levi-Strauss, gutsily outfitting the gold-panners, dream of immortality through a pair of trousers. But Levis they are called, or were until about 99 other labels started stitching *themselves* all *over the* posteriors of one's kith and kin.

You may even have your blue denims, so eminently practical for the Faubourg St Honoré, by no less than Yves St Laurent, who, as I have had occasion to point out in the past, is the cleverest of all interpreters of what his public wants.

Now you may have them with an equally grand name, though from a different world: Gloria Vanderbilt. *What a name to conjure* with. The ring of wealth, the inclusion among the magic "400" set all those years ago, memory of the Commodore, both pirate and merchant prince it seems.

Gloria Vanderbilt, beautiful, elegant and funny, has *inherited* more than a few pennies and an aura of *Edwardian glamour*. She has inherited a neat business mind, so her line of clothes is made in Hongkong by Murjani and it will be exclusive to the Debenham chain of stores for a year.

She *has* also inherited a decisive *point* of view. Having not yet had the chance to find out whether my Vanderbilt trousers are going to un-pear-shape me, what I wanted to know was what Miss Vanderbilt had thought about the portrayal of her aunt, Thelma, Lady Furness in *Edward and Mrs Simpson* which has just finished running on American TV.

"They called her Thelma, when she was pronounced Telma; it's not Fur*ness* it's *Fur*ness."

The first part there are those who would quarrel with. The second, none. But *Gloria Vanderbilt has* a wonderfully stylish final comment: "You made all the Americans seem so tacky and common—and saying things in the wrong accents *that they would never have* said, and you made all the British look so much better".

There speaks the voice of a properly proud America, but I was, I confess, delighted that we *should* be seen for once to support ourselves. Anyway, I mentioned to the merchant princess that in my view her country had done this one a great service.

"Nice is not a word that I would use about Mlle Chanel", Cecil Beaton told me when I consulted him on how to approach the demise of Coco. Now Sir Cecil has himself been celebrated in death, privately and publicly.

He was unfailingly kind *and helpful to me on the few* occasions I met him, and was the author of one of the most generous remarks in my professional life. I wish that I had known him better because anyone who can have *Zadok the Priest* and the Widor *Toccata in F* at his memorial service must be very close in taste. Easy to *say that he was made by* others. We all start somewhere and he did make himself.

Sir Brian Batsford published his first scrapbooks. Ascher had him under contract as a textile designer

In July I hope to present adept readers with a goodie to sew. It will come from the Royal School of Needlework but meanwhile I must note the sumptuous work of montage, stitching embroidery, design, *the best possible combination* of tradition and modernity which constitutes the wall-hanging destined for Longleat in its 400th year.

Not only has the Marquess commissioned this superb example of our textile potential, he has also commissioned one of our greatest living furniture designers, John Makepeace, to make a low table. In both works, art and craft are combined at the level they must attain if we are to survive in the field of excellence.

Whether we want to survive in the field of excellence in design is another matter. With an enormous art school training system, the textile industry is still rapidly slip*ping away. Baroness Seear*, speaking at the dinner given by the Society for Industrialist Artists and Designers, voiced an *opinion which will* be familiar to readers of this page: as a nation, we are not visually aware, we are not concerned with beauty and form, we are concerned with function only. Now, we *all know where* that leads, this national embarrassment "the Puritan ethic". To compete, to match other producers, there must be an element of uniqueness. It can be price, it can be technological breakthrough, but it can, if only we could believe it, be design.

The designer, said Lady Seear, again expressing an opinion familiar to you, is always at the bottom of the list.

We know the problems—indeed, Sir Claus Moser spelt *them out* in his speech at the same occasion; there is always somebody to deal with in the middle. So I forgive him for Covent Garden's production of *Parsifal* in which *the hero presented his heroic* bottom in what looked like greyish Y-fronts and every time he turned round he deposited a shower of arrows on the stage amid a forest of that sort of grey fuzz you find on rotten tomatoes. Perhaps the grey fuzz was the American penetration of the carpet pile market which is causing so much fuss.

White guld and diamond hairslide by Graff, Brompton Road, London, SW3—£50,000 per pair. Photograph by Serge Kroughlikoff. Makeup by Sue Ripley for Estee Lauder. Hair by Vivienne Mackinder for Vidal Sassoon.

The only thing missing from the Gérard show was the Idol's Eye, the largest known natural blue diamond in the world. It *nestles* in the vaults of Graff, in the Brompton Road, London. It is rather a knockout. But then Mr Graff is probably Britains answer to M Gérard in terms of style *and throw away chic. Graff gains bonus points for consistently employing new skills—mostly from the* Sir John Cass School in his superb workrooms. Graff maintain a fine, and fashionable collection in the showroom, but examples such as the slides shown here are made to individual order.

David Shilling, 36 Marylebone High Street. At his new collection, how did the models manage to look so elegant in their black plastic bin-liners? It must have been the long black gloves.

His show abounded with little hats topped with curlicues going off in every direction, *pill boxes, square boxes and* even a triangular box, wide-brimmed straw hats draped with veils, net, flowers and feathers (ostrich, pheasant, quills). Brims flipped up or turned down—a *double brimmed hat*, one turned up and one down when you cannot make up your mind.

His own initials appeared—lilac silk headband with diamanté-trimmed "D" perched on one side and floral "S" shape snaked round the head. In the couture tradition he names his creations, viz. *Crestic Dash*, just the thing to wear on the four-man bob, a for bowl-shape complete with clear *perspex eye* guard. *Spring Symphony*, a froth of silk sprouting daffodils. *Cream 'n' Coffee*, coffee-coloured straw, wide droopy brim, small crown wound with *cream silk which reappears* underneath to drape in folds over the collarbones. *Incognito*, small back and white hat with black polka-dotted veil, natch. *Severage Spiral*, black box *topped with spiral ending in* pink and yellow ostrich tufts. *Paletable*, artist's palette equipped with two brushes, pink and yellow ostrich trim. *Cinderbubble*, large white bow and cascade of iridescent bubbles.

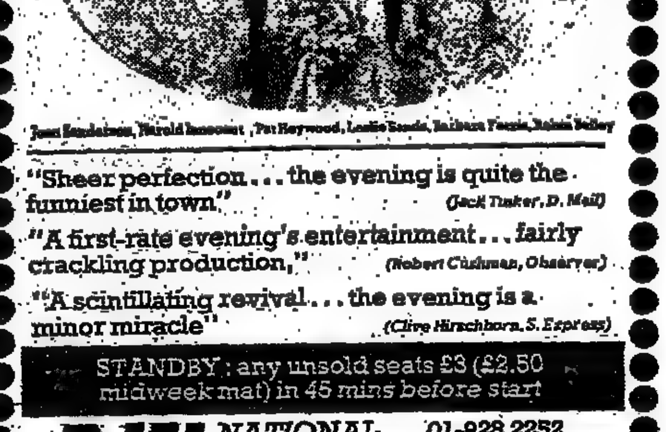
Mitsukiku of Japan have opened another shop—it is at 435 The Strand, next to Coutts' splendid edifice. This brings their total to six in London, but if you happen to be in Birmingham, Brighton or Brussels you will find their excellent childrens' clothes, padded kimonos (it could be cold again) and tatami, those traditional straw mules with a velvet thong between the toes.

Practical as ever, the mules are rubber-soled. They also have their matching cleft socks. A catalogue of garments available via mail order is from Mitsukiku, 15 Old Brompton Road, London, SW7.

Rayne, shoemakers to the high and mighty, to say nothing of the well-heeled, are aiming at a new young image with a range called, guess what, Drizzle. Somewhat startling canvas, suede and kid fun shoes, conical heels, peep toes and appliqué, mules with polka dots or frilly bows. Sandals for which the only adjective is sweet (sweet is going to be important in fashion this summer, you will be relieved to know). Jazzed-up plimsolls at £19.50.

The boys are not forgotten: stacked-heel ankle boots are decorated with Texas stars or Latin lips. Definitely for those who like to walk tall. My private eye says she might be nervous of wearers of such footwear; but on the other hand if it is him hobbling on his high heels you can always sprint off in your gold sneakers.

(continued on page 8)



THE ARTS

Spear's wryly individual route to Pop Art

Ruskin Spear
Royal Academy

Percy Douglas Bliss/ Clifford Webb
Blond Fine Art

Mary Fedden
New Grafton Gallery

Arthur Rackham/ H. N. Werkman
Victoria and Albert Museum

Brancusi: The Sculptor as Photographer
12 Duke Street Gallery

How many painters do you know who contrive to be funny without ceasing to be painterly? I really did not mean to lead into Ruskin Spear's retrospective at the Royal Academy (the first comprehensive one-man show ever, it would appear) with such a question, since it implies that he is primarily a humorous painter, which is certainly not the case. But it does at least indicate the unique quality of his work: he can make you smile, or even laugh, with his wickedly funny observation of people and things—the plump lady happily shovelling in strawberry mousse; determinedly unglamorous spectators at a fashion show; Mr Heath conducting Christmas carols—and yet while doing so he is never just a caricaturist, but a painter through and through.

A number of these paintings date from the mid-Fifties and show a clear, unforced relationship with Pop Art: evidently this is not the older artist trying desperately to be trendy, but rather an admirer of Sickert building on the foundation of those once-despised later Sickerts in which he shamelessly used photographs as his basic material, thereby anticipating Pop Art. Spear, in other words, arrived at a Pop Art style by his own peculiar route, and these paintings are absolutely consistent with his Hammersmith versions of the Camden Town/Euston Road style, which provide some of the most striking paintings in the show. And he manages to be—which cannot always be said of younger Pop Artists—splendidly unpatronising in his pictures of slightly seedy pubs and caffs and parlour entertainments: if you look at the lady so cheerfully singing and playing away at the old upright in *Dinah, is there anyone finer?* you can see that he takes her good-humouredly but absolutely straight, on her own terms.

He even manages to do that with politicians and royalty. The picture of *Mrs Barbara Castle at the RA Banquet* catches the woman rather than the political figure in a moment (of tiredness, perhaps, or boredom) off guard and very human. The images of Harold Wilson and Mrs Thatcher are informal, neither flattering nor ironic, but of people first and foremost. *Homage to Barnett Newman* manages a fine portrait of the painter against a meticulous (not perhaps entirely admiring?) version of one of his own hard-edged abstractions. And some of the straight landscapes, like *The Bathers*, of 1966, are as memorable for their overall formal gestures as for their detailed rendering of wind and weather and the atmosphere of a dull or stormy English day.

Two other English artists of the generation just previous to Spear who specialize in the vagaries of English weather are on show at Blond's, in Sackville Street, until April 3. Though Percy Douglass Bliss and Clifford Webb come from slightly different academic backgrounds—Bliss was at the Royal College the same time as Bawden and Ravilious; Webb was taught by Meninsky, at Westminster—their styles in watercolour landscape are so alike it would be difficult to say for sure which are which without the aid of a catalogue. Both favour a rather dry use of watercolour based on strongly defined draughtsmanship rather than the more traditional English washes. And both become decidedly more individual in their woodcuts and wood-engravings, also generously represented in the show. Webb was very good at slightly exotic subjects, and capturing the private animal quality of animals; Bliss has his own line in pawky, homegrown diablerie. Both deserve to be remembered more than recently they have been, and this tangible reminder is as pleasing as it is timely.

Clifford Webb: *Cheetah and Black Buck* (wood engraving).

Mary Fedden, whose recent paintings and drawings are on show at the New Grafton Gallery in Old Bond Street till March 20, has perhaps suffered slightly from her own approachability. Brightly though not unsubtly coloured, her paintings deal mostly with very domestic delights: the odd shapes of Victorian country chairs, the colours and textures of fruit and vegetables, the occasional pet lurking in the background. Her landscapes are sometimes more exotic, with an inclination towards the clear bright light of the Mediterranean. It is all in its quiet way distinctive and immediately recognizable: she has found her style and sticks to it, depicting without affectation a happy, homely world—the material of Vuillard in the colours of Matisse, as it were. And yet, for all that, very English.

Also very English, I suppose one must admit, is Arthur Rackham, the show of whose original fairy illustrations (and some others) which I wrote about from Sheffield is now at the Victoria and Albert, suitably augmented and well worth a visit for anybody who knows his work only in reproduction. As a bonus, at the other end of the same sequence of rooms we get a show imported from Amsterdam of the surprisingly contemporary Dutch designer and illustrator Henrick Nicolaas Werkman. He was only 15 years younger than Rackham, yet they live in different worlds. Werkman's work is largely, though not exclusively abstract, and through his relations with De Stijl he did a lot of classic geometrical layouts for books and posters using type architecturally along with areas of boldly applied flat colour. But there is humour and fantasy in his work too: the feathery landscapes he drew with his typewriter say the most with the least, and his later designs for Buber's *Hassidic Legends*, done during the Nazi occupation of Holland, use, as is often his way, very simple techniques for very sophisticated effects. The collection of these two unlikes, Rackham and Werkman, is unlikely but strangely effective.

Lastly, a familiar figure in a relatively unfamiliar guise. Apparently no less an artist than Stieglitz took installation photographs of an early Brancusi show in New York, confirming Brancusi in his belief that in fact only the sculptor understood how to photograph the essence of his own work. So, with a bit of technical advice from Man Ray, Brancusi started systematically to do exactly that. But he certainly did not regard his photographs as a mere practical record, but as works of graphic art in their own right: he even had a special blind stamp made to mark presentation copies of his pictures. Apart from a few portraits of friends, the photographs on show in this pleasant new gallery in St James's virtually all concern themselves with the confines of Brancusi's own studio — individual sculptures, arrangements of several together, work in progress or just the patterns of light and shade within at various times of day. But it is enough: a magic world full of life and movement and repose, in which the artist's eye is almost as much in evidence as in the more familiar works of which these pictures are the fringe-benefits, standing in rather the same sort of relationship to the sculpture as Henry Moore's drawings and lithographs do to his. The story of twentieth-century artists in other media who were also distinguished photographers is a chapter of art history yet to be written; but with each show of this kind we come appreciably nearer.

John Russell Taylor

La Sylphide
Coliseum

John Percival

The greatest merit of Peter Schaufuss's production of *La Sylphide*, first given by Festival Ballet last August and now revived at the Coliseum, lies in making the company dance really well and bringing on many young dancers. Its qualities as a treatment of Bournonville's almost sesquicentennial ballet are also considerable, although in part disputable. His changes from the received version are intelligently conceived and stylishly carried out, but I am glad we have Scottish Ballet's traditional production too: the best of both worlds.

Schaufuss astutely enlisted help from a young music scholar, Ole Nørlyng. They restored cuts and alternative versions in Løvenskjold's score to the point of having apparently more music than Bournonville used at any one time. Even so, it seems short-changing audiences to give the ballet on its own: it lasts under two hours despite an overlong interval. However, the music's attractions as one of the first romantic ballet scores are handsomely revealed.

To fill the unfamiliar passages, Schaufuss composed choreography after Bournonville's manner, with great success in a dance for eight wedding guests and an extra solo for the sylphide; less well in James's new danced soliloquy and a vision *pas de trois* before the reel. Schaufuss gets the story clear, the characters understood and the dancing style mostly authentic. Against that, he has allowed designs by David Walker that are absurdly grand (the modest farmhouse looks like a royal castle) and lighting by John B. Read so entirely illogical that it would have infuriated Bournonville, who was fussy about such things.

Several casts share the roles. All are worth seeing: just as well, since Festival Ballet is naughty about not announcing in advance the many changes from advertised schedules. Eva Evdokimova and Schaufuss, with Niels Bjørn Larsen from Copenhagen as the witch, shared the honours at Friday's revival. I must single out also Deborah Weiss, who made her London debut as the sylphide on Saturday afternoon. Charming in manner, she danced with exceptional lightness and acted touchingly but without sentimental exaggeration. Nicholas Johnson, partnering her, danced with splendid crispness.

Kenn Wells was the most satisfyingly spiteful of three weekend interpreters of the witch: the others allowed the humour to overtip the balance.

LSO/Inbal
Festival Hall

William Mann

It is not, these days, considered mean to put Beethoven's Ninth Symphony by itself on a programme. It was generous that the London Symphony Orchestra on Sunday preceded it with Mozart's E flat major wind serenade, K375, music for eight principal players, including several duets between oboes (Anthony Camden and Roger Lord) and clarinets (Jack Brymer and Ronald Moore) who were gloriously matched contestants.

The evening's conductor was not required, though there was a trace of hurry in the first movement. It was, otherwise, a spruce, appreciative account of eminently civilized party music—perhaps better experienced downstairs in the foyer, as accompaniment to eating and drinking, rather than in prim silence upstairs.

It was, in any case, a curtain-raiser to the business of the evening, the Choral Symphony, of which Eliahu Inbal was in charge. He dispatched it briskly, at an amazing 61 minutes, faster than any of the conductors timed in my score (since Albert Heinig in 1942), though without all repeats in the Scherzo.

The structure was clearly outlined, the textures less acutely edged sometimes than one could wish. There was a sense of heroism behind Mr Inbal's reading, but not yet a complete command of the contents to be hurled at the audience, point blank, as Beethoven's Ninth must be.

The tempi, however fast, did not spoil the music. The accuracy of the LSO's playing has to be commended (one sad mishap in the Adagio excluded). But it was not the great experience which everybody expects from the Ninth.

There are crucial moments. One of the first movement's recapitulation, a physical as well as intellectual shock; another is the transition from Scherzo to Trio, which must change speed without attracting attention. There is a third in the Adagio, where the violas should sound like a solemn Last Post. Mr Inbal had nothing particular to tell us about them. He gave us the weight, and the pace, but not the momentousness of the symphony, though the solo vocal quartet of Jennifer Smith, Sandra Browne, Robert Tear, and a nicely incisive East German bass, Karl-Heinz Stryczek, were permitted to blend pleasantly.

A Graham Greene double bill

Graham Greene's first stage play for more than five years, *For Whom the Bell Chimes*, will have its premiere in the studio of Leicester's Haymarket Theatre on March 21. He has also written a short piece, *Yes and No*, as a curtain-raiser.

An Isolde of radiant authority

Tristan und Isolde
New, Cardiff

Kenneth Loveland

The American soprano Johanne Meier made her British debut on the last night of the Welsh National Opera's first Cardiff season of the 1980s and added an extra dimension of distinction to the already widely acclaimed musical aspect of their *Tristan und Isolde*.

As her narration to Brangäne unfolded, it was clear that here was an Isolde of seasoned authority, mature in matters of artistry but spring-fresh and radiant in vocal sound. Powerful enough to establish an unforced and unwavering line over the most furious orchestral exchanges (and the impression was that her reserves were such that this would have been equally true in a larger theatre) she was tenderly responsive in the love duet and eloquently expressive at all times.

To these attributes one would have added that of astute pacing had not her vibrato widened slightly in the *Liebestod*, a suggestion that pressures were telling yet it was still an ecstatic summit to a deeply felt and vocally exciting performance.

Conducting the opera for the first time, Richard Armstrong followed Reginald Goodall, an advantage in that the orchestra, at present in such splendid form, had assimilated the score under one of the greatest Wagnerians of our time, a disadvantage in that comparisons might be invited. In the event it was a significant debut.

Armstrong showed that he had points of his own to make, notably in the studied but passionate building of climaxes, while sharing with Goodall that disinclination to linger unnecessarily which had given urgency to the first two acts in earlier performances. Moments of stillness were carefully focused (the recognition after the drinking of the love potion, for example) the accompaniment to "So sturben wir" magically shaded, and the opera's emotional architecture thoroughly understood. Occasional lapses among the horns were just noticeable, otherwise it was an evening of richly satisfying and glowing orchestral playing.

Newcomers to the cast were Philip Joll's sturdy Kurwenal and Don Garrard's dignified King Marke. John Mitchinson's Tristan, now so commanding in tone, so nobly heroic in the long exchanges with Kurwenal in Act III, has gained immeasurably in matters of poetic expression, and was completely sustained, while Anne Wilkens was again a committed Brangäne, her offstage "Habet acht" among the most memorable moments of a musically absorbing performance.

Frances-Marie Uitti
ICA

Paul Griffiths

No instrument more than the cello has benefited, if that is quite the word, from the determination of present composers to explore the farthest reaches of what is musically practicable. For the cello is a very good-natured instrument, not squealing like the violin at any untoward approaches to it but open-handed with new sounds for the adventurous musician. It is also, moreover, the most theatrical of instruments, for nothing else can boast its curving human-sized profile, nursed between the legs and caressed into action.

Seen in this light, Sunday night's recital by Frances-Marie Uitti in the splendid Musica series at the Institute of Contemporary Arts was a feast for appetites bored with the standard positions of the cello repertory. Miss Uitti played four works, none more than five years old, none failing to exploit a host of novel techniques and extraordinary sonorities. Nor did she omit, as much by her person as by her performance, to draw out the fleshly resonances of cello playing.

Most erotic of the four pieces was Bussotti's Variations, written specially for Miss Uitti and requiring her murmuringly to seduce her instrument by candlelight. Apparently the work is packed, in a characteristic gesture of outrageous egoism, with quotations from throughout Bussotti's output of the last three decades. However, I must leave it to those more intimately conversant with his music to disentangle the echoes of former glories from the strains of new virtuoso song, though I did catch some familiar titles among the whisperings and sighs of Miss Uitti's vocal contributions.

Sciarrino and Xenakis provided her with much less provocative material. The former's Two Studies set out to chase elusive and evanescent harmonics with skittering, light-fingered bowing. By contrast, Xenakis's *Kottos* was a robust voyage round the cello's new territory, including everything from ugly scrapes over the bridge to glistening glissandos, but coming rudely to earth for a good bit of stomping in Greek folk rhythms.

Finally Miss Uitti came to her own *oaxano*, which explained why all this time there had been four cellos littered about the platform. Strolling under the magenta lights of a tart's boudoir, she went from one to another, using the first as a dulcimer and later as a source of rich metallic clangs, but most of the time demonstrating the strange full sounds available with her own two-bow technique.

Perlman/Canino
Festival Hall

Max Harrison

It could be argued that the element of bravura in the outer movements of Mozart's Violin Sonata, K454, resulted from the influence of the half-dozen piano concertos he wrote the same year (1784). Yet this is more than matched by the formal elaboration of the work.

Perhaps, anyway, the point is academic in the face of a performance like the one given on Sunday afternoon by Itzhak Perlman and Bruno Canino, with its virtually perfect dovetailing of string and keyboard parts. In the slow movement, also, there was very beautiful playing from both, invited by the music's acute expressiveness.

Though not everyone might be pleased by the suggestion, there seems to me a comparably exact fitting of means to ends in the Ravel Violin Sonata, notwithstanding that each instrument is encouraged to go its own way. It received an interpretation of the most subtle nuance, yet the inner strength of the opening Allegro in particular was made plain.

Especially subtle was the end of the slow movement, where the music loses its momentum and fragments between the two instruments. This piece is the once notorious Blues, which was delivered in a deliciously piquant manner, with Mr Perlman never under-stressing the microtonal slides, as some violinists still do.

In Beethoven's Sonata, Op 30, No 2, it might seem less a case of the instruments following their own characters because it was originally published as being for "piano with violin accompaniment". Mr Perlman, of course, sounded no more an accompanist than Mr Canino, for there is much Beethoven in his early C minor mood here that was projected with a just contained ferocity that was entirely apt. Memorable, too, was their reading of the Adagio, a piece whose eloquence nearly matches that of the equivalent Mozart movement.

Finally came some Kreisler lollipops.

Some of the reviews on this page are reprinted from yesterday's later editions.

SPORT

Football

Shortest draw offers a long list of intriguing variations

By Norman Fox
Football Correspondent

The first Merseyside FA Cup Final became a distinct possibility after yesterday's semi-final round draw which paired Arsenal with Liverpool at Hillsborough and West Ham United with Everton at Villa Park. The ties will take place on April 12.

In cold, detached terms the most likely climax is Liverpool against Everton at Wembley on May 10; but the Cup is neither cold nor impersonal to the majority, and who is to say that London could not have its own final between Arsenal and West Ham, or that the north v south confrontation which is probably the most engaging for nationwide television viewers, could not be fulfilled? The shortest draw of the competition still had enough variety of chance to be satisfying, even if Arsenal v Liverpool at Wembley had slightly more of a Herculean ring than the variations that are now possible.

Arsenal have cause to see their tie as the opportunity to redeem pride after their last meeting with Liverpool at Wembley, which was in the FA Charity Shield in August when they were not only beaten 3—1 but were made to appear inferior in every aspect of the game. Liverpool's performance on that afternoon was irresistible, but in November they went to Highbury and were held to a goalless draw: Arsenal were without Brady and played tightly to keep Liverpool's powerful midfield in check. One hopes for a more open game in the semi-final, but not with any great optimism. A tense, unforgiving match is more predictable than another clear-cut victory for Liverpool.

Both clubs have special incentives. Arsenal can again inscribe their name in the record book by becoming the first to appear in three successive finals; they won last season, beating Manchester *United, and lost in 1978 to Ipswich* Town. They could also equal Newcastle United's record of 11 FA Cup Final appearances. Liverpool, who surprisingly have not won the trophy since 1974, despite their highly successful decade, are on a direct course for the League and Cup double.

The match between West Ham and Everton is an enthralling prospect. Both could have decided some time ago that the FA Cup was an unnecessary complication at a time of more pressing matters: Everton are only one place above the relegation zone of the first division and West Ham are two points below the leading three teams in the second. Such a clinical thought seems not to have entered their heads.

The *shadow of Liverpool* darkens the door of Goodison and what a turn-up it would be for the local record book if Everton could beat them at Wembley; it is 14 years since Trebilcock and Temple gave that splendid 1966 team victory there. Everton have played Liverpool twice in the semi-finals (1971 and 1977) and lost on both occasions.

West Ham, in spirit still a first division club, are playing consistently well, and must consider that they will start their semi-final on almost equal terms. They last played in the Cup Final in 1975 when comfortably beating Fulham. With such excellent, creative players as Brooking and Devonshire they should have the confidence to disturb a side who, until Saturday's surprising 2—1 defeat of Ipswich Town, were fortunate to have reached the last eight without playing first division opponents in their first three matches and having always being drawn at home.

FA Cup draw

Arsenal v Liverpool.
West Ham v Everton.

Yorath given second ban of the season

Terry Yorath will miss Tottenham Hotspur's home game with *Crystal Palace on Saturday* and the match against Bolton Wanderers the following weekend. The Welsh international captain and midfield player was suspended for two games by an FA Disciplinary Commission in London yesterday, after reaching 30 penalty points. He has already served a three-match ban earlier this season, for reaching 20 points.

Villa is out of the Spurs team for the away match with Nottingham Forest tonight. Villa has not recovered from the knee injury which he received in the FA Cup tie against Liverpool last Saturday. He was replaced by Pratt, who is in a party of 14 which includes Taylor, Naylor and Jones. Anderson, suspended from last Wednesday's European Cup game against Dynamo Berlin, returns to Forest's side.

Viljoen is back in Manchester City's side for the game against Liverpool at Anfield. Viljoen replaces Robinson who ricked his back in training. Booth is also ruled out with a hamstring strain. Deyna, who came on as substitute for Booth in City's last league game against Norwich City retains his place. Dalglish has shaken off the effects of a cold so Liverpool will be unchanged.

Brady, Arsenal's midfield player, could earn a striking role in tonight's match against Bristol City at Highbury. Sunderland, hurt in last week's Cup Winner's Cup victory over Göteborg, limped off after half an hour of Saturday's cup match at Watford and expects to be ruled out.

There is good news for Arsenal, in that their captain, Rice, who has missed three games with an ankle injury, may be ready to return. *Devine may stand down.* Gatting and Hollins stand by for the midfield place which will be vacated by Brady if Sunderland cannot play. Gow has been ruled out of Bristol City's team because of a knee injury. Mann and Gillies have been included in Bristol's pool.

The Ipswich Town defender, Beattie, may be given a full game at Middlesbrough but the Ipswich manager, Bobby Robson, will delay his final selection.

West Ham United's centre forward, Pearson, is under treatment for a thigh injury and could miss tonight's game with Notts County at Upton Park. Holland and Neighbour have been included in a party of 13.

Bristol Rovers' £50,000 buy, Chick Bates, from Swindon Town, *makes his first appearance against* Preston at Eastville. He lines up in attack with Penny as Mabbutt drops back in a side reshuffled by the automatic suspension of Cooper, who was sent off against *Orient on Saturday.* Cooper, the club's player-coach, will be fined £50 for being sent off but will not be further punished for allegedly giving a rude sign after he was shown the red card.

Yorath: will miss games against Palace and Bolton.

Rugby Union

Neary opts out of Lions tour to S Africa

By Peter West

Tony Neary, the England flank forward who is due to set a national record when he plays a forty-third international for his country, in the Calcutta Cup game in Edinburgh on Saturday, has told the British Lions selectors that for business reasons he cannot be available for the tour of South Africa.

He is a partner in a firm of solicitors in Manchester. "We look like being short handed in the summer", he told me yesterday, "and it simply wouldn't be fair on my partners if I was away for two and a half months."

Neary toured South Africa with the Lions in 1974 and New Zealand in 1977 when he played in the *fourth international.* His withdrawal from consideration for a third tour presents an additional complication to selectors already beset with problems in finding an adequate blend at loose forward.

If one assumes that Stuart Lane must now be a certain choice for one of the positions on the open side flank after his outstanding game for Wales against Scotland, Neary's withdrawal should help to concentrate the mind of a player such as David Leslie, who has been recalled by Scotland for the England match. After some frustrating injuries Leslie, with his fire and pace, may see opportunity beckoning.

It appears likely that the Lions selectors will announce their side en bloc in Edinburgh next Monday, rather than leave one or two places open, possibly for men who have proved themselves at the highest level but for one reason or another have not been active of late. One of these is Michael Gibson, the athletic, ball-playing Irish No 8, back in action after injury. Another is Gordon Brown, the Scottish lock who has made three Lions tours but played no rugby for his country since 1976. Brown is back in the fold with his club, West of Scotland. He and Gibson have both been chosen to play for the Barbarians against East Midlands at Northampton on March 26.

Peter Squires, who lost his place on the England wing this season, has been selected along with "Ollie" Campbell, the Irish stand-off half. Campbell is one of six new Barbarians, the others being Phil Blakeway (England), John Robbie (Ireland) and three uncapped players, Alan Friell, Les Barlow and Rusell Field.

If the Lions selectors really believe that Michael Gibson (the No 8) and Gordon Brown have left their comeback to the game too late for consideration, they ought, with the present scarcity of No. 8s suitable for South Africa's conditions, to debate the claims of Andy Ripley. This most capped of England players in this position is displaying greater control these days (they believe at Rosslyn Park that his form is better than ever), and he has three qualities —genuine pace, lineout skills and physical presence—the selectors must be looking for. He toured South Africa in 1974 with the Lions and won the last of his 24 caps in England in 1976.

BARBARIANS (v Northampton): W. R. Blyth (Swansea); H. E. Rees (Neath), D. S. Richards (Swansea), A. P. Friell (London Scottish), P. J. Squires (Harrogate); S. O. Campbell (Old Belvedere), J. C. Robbie (Greystones); L. Barlow (Rosslyn Park), A. J. Phillips (Cardiff), P. J. Blakeway (Gloucester), R. Field (Moseley), G. L. Brown (West of Scotland), R. M. Uttley (Wasps), M. E. Gibson (Lansdowne), J. Slattery (Blackrock).

Harlequins cast as cu[p] holders' straight men

By Peter West
Rugby Correspondent

The draw for the semi-final round of the John Player Cup, made in *London yesterday by Alec* Ramsay, President of the RFU, ordained that both games on March 29 will be played in London. The holders, Leicester, will meet the Harlequins, and Rosslyn Park will be at home to London Irish in a match that has to produce one London side in the final at Twickenham on April 15.

Leicester would have preferred a home draw which their secretary, Jerry Day, thinks might have attracted a crowd of 10,000 to Welford Road, but they remain confident of setting a record of reaching the last round for a third successive year. Mr Day hopes the match will be played at Twickenham rather than at *Stoop,* where Harlequins confounded the pundits as well as *Gosforth in the quarter* finals. "There is much more atmosphere at Headquarters," he added, "and we would look on it as a dress rehearsal for another final."

Harlequins need no reminding that they lost, 21—6, to Leicester at Twickenham in September and were mauled, 54—10, in the return game a couple of weeks ago. However, their chairman of selectors, Ricky Bartlett, who used to be one of England's most effective stand-off halves, observed no doubt with tongue in cheek that Leicester might therefore be overconfident. "Obviously it's a tough one," he added, "and of course we're pleased to be playing at home. I think it was a triumph of character for the Quins to have beaten *Gosforth after* the pasting they took at *Leicester.* The Cup is a different ball game."

Mr Bartlett thought it probable that the Harlequins would stick by the side that beat Gosforth, 9—3. That would involve the retention of the New Zealander, Nigel O'Brien, at lock and the absence of the All-Black, Andy Haden, whose commitments in Italy made him "a bit of an [un]known quantity". Bartlett stre[ssed] that on balance Harlequin play[ers] have favoured the inclusion [of] Haden in earlier games "beca[use] he lifted the performance of [his] colleagues".

Two Harlequins, Colin Lamb and Graham Gilbert, were so [dis]pleased at being left out of [the] side to play Gosforth that th[ey] appeared in junior teams for [Rich]mond last Saturday. "I ho[pe]," Mr Bartlett said, "they may h[ave] second thoughts."

Rosslyn Park in their cent[enary] season are within one victory [of] their third final. Chris Winn, former Oxford and England wi[ng], now the club's fixtures secret[ary], admitted they were pleased [to] have avoided Leicester and, [while] hoping to meet Harlequins in [the] last round, they might tentati[vely] suggest to Nottingham, th[eir] scheduled opponents on April [], that they should consider look[ing] for another fixture that day.

London Irish, winners of [the] London merit table, have bea[ten] Park twice this season, 15—13 [at] Roehampton and 23—9 at S[unbury]. "The first game," Mr W[...] observed, "was as close as [the] score suggests, and in the sec[ond] we were well below strength."

Michael O'Connor, President [of] the Irish, was another to ad[mit] satisfaction at avoiding Leices[ter]. "Mind you," he added, "[we] wouldn't have minded pla[ying] them at home. We're happy to [be] drawn away, we're having a m[ar]vellous season and I think we h[ave] an excellent chance."

In previous knockout comp[eti]tions they had nevtr advanced [as] far as the last eight. If the I[rish] *should reach the final, they su[rely]* will not lack for the support [of] compatriots in town. If Leice[ster] should get there, too—as they [are] expected to do—there might [well] be a record attendance in Apri[l].

John Player Cup dr[aw]

Harlequins v Leicester.
Rosslyn Park v London Irish.

Hankin deal for Vancouver completed

Leeds United sold their striker Ray Hankin yesterday to Vancouver Whitecaps, the North *American champions, for a fee of* about £300,000—a record for an English player moving to an American League club.

Hankin was placed on the transfer list recently and expressed a wish to play abroad.

The Vancouver manager, Tony Walters, who had seen Hankin as a member of the England youth team, was impressed by Hankin's display against Vancouver in a testimonial match last week.

Hankin, aged 24, joined Leeds from Burnley three and a half years ago for £150,000. He is the second player to join Vancouver in a week, David Harvey the Scottish international goalkeeper having been signed for £40,000 last Monday.

Kevin Reeves, the Norwich and England striker, will sign for Manchester City today. He arrived in Manchester this afternoon for talks. All the details between the two clubs in the £1m deal have been ironed out, and Reeves will be making his first appearance for his new club against Arsenal on Saturday.

The Coventry City manager, Gordon Milne dismissed as "speculation" reports that Aston Villa wanted his striker, Ferguson. Mr Milne said: "I am sick and tired of all this speculation regarding *my players. I have not had a single* inquiry for Ferguson".

Aston Villa, with £1m in hand from the manager, Ron Saunders's autumn sales, are also being linked with Dumbarton's 19-year-old striker Graeme Sharp, who recently spent five days training at Villa Park. It is believed that Dumbarton have already rejected an offer of £150,000 from Villa for a player who is also engaging the attention of Rangers and Aberdeen and a number of other English clubs.

Tottenham Hotspur have asked Aberdeen about the availability of the Scotland under-21 striker Steve Archibald. The Spurs' manager Keith Burkinshaw confirmed his interest yesterday but denied that he had made a firm offer.

Orient have signed Steve Parsons, a midfield player, from Wimbledon for £42,000. The offer beat the one made by Reading by £2,000.

Gary Rowell, the Sunderland player who asked for a transfer last weekend, has been told by the manager Ken Knighton, to put his request in writing. Rowell, a former England under-21 international, has been unable to command a regular place in the Sunderland side this season, after coming back from a serious knee injury. He feels that he would benefit from a move. But Mr Knighton, who had a 20-minute talk with Rowell yesterday, is not keen to release him.

Cardiff City have put four players on the transfer list, including three who played in Saturday's 3—1 win over Charlton Athletic. On offer are Buchanan, leading scorer with 57 goals in 229 appearances since joining them in 1974 from Northampton, Moore their first £100,000 signing who moved from Tranmere 13 months ago. Also available are Grapes, an £8,000 signing from Norwich in October 1976 and Hughes signed from the American club, Tulsa *Roughnecks five months ago.*

Scottish Cup repeat?

Rangers and Hibernian, who met in last season's Scottish Cup final, could face each other again in this year's final on May 10. Yesterday's semi-final draw paired Rangers with Aberdeen and Hibs, if they overcome Berwick Rangers tomorrow night's replay at Easter Road, will face Celtic.

Lloyd faces wait over his Wembley participation

Larry Lloyd must wait until Thursday to find out whether he will miss Saturday's League Cup final against Wolverhampton Wanderes because of a suspension. The Nottingham Forest central defender will make a personal appearance in front of an FA disciplinary tribunal in Birmingham, after topping the 20-point mark.

This means he will miss Forest's trip to Jersey, from tomorrow to Friday, as they wind themselves up for the Wembley match. Any suspension would start from Saturday and Lloyd, who does not have a good record, is unlikely to be treated as a special case.

Everton's Brian Kidd comes up in front of an FA commission for *the second time in little more than* a month and is expecting another two-game ban. Kidd, who served an automatic one-match ban for his sending off against Wigan in January, was banned for two games in February for reaching 20 points. Subsequent bookings at Crystal Palace and against Everton have now carried him on to 30 points.

He appears in Manchester tomorrow with the club captain, Mike Lyons, who has 20 points. Last week, Everton had Asa Hartford and Trevor Ross banned for two games apiece.

Also in Manchester tomorrow are Paul Power (Manchester City), Peter Lorimer (York City), Peter Withe (Newcastle), Alan Little (Doncaster) and Eddie Cliff (Rochdale), all on 20 points. Preston's John Blackley appears on 30 points.

With Lloyd, in Birmingham on Thursday, will be: Forbes Phillipson-Masters (Plymouth), Roy McDonough (Walsall), John Sitton (Millwall), Philip Sproson (Port Vale), Bob Curtis (Mansfield) and Ray O'Brien (Notts County), all on 20 points.

UEFA change draws

Berne, March 10.—The draws for the semi-final round of the three main European international club football competitions will take place on Saturday, March 22, one day later than originally scheduled, the European Football Union (UEFA) said today.

SCOTTISH CUP: Semi-final round-Draw: Rangers v Aberdeen (at Celtic Park); Celtic v Berwick or Hibernian (at Hampden Park). Ties to be played on Saturday, April 12.

Demanding six-match tou[r]

By David Hands

The John Player Cup holders, Leicester, will be making up for lost time this August when they *inaugurate their centenary season* celebrations with a tour to Australia and Fiji. Remarkable as it may seem in these days of easy travel, Leicester, during the past 99 years, have never been further afield than France, and that only on three occasions, twice in the 1920s and again in 1976.

It is a demanding, six-match tour which will, at least, obviate the need for pre-season training at home. They begin with the Queensland state side in Brisbane on August 7, then move on to Sydney to play the grade clubs, Eastern Suburbs and Randwick. They fly to Fiji for the second half of the tour, playing two district XVs and winding up with a game against the Fijian Rugby Union chairman's XV.

Of the current senior players, only the former England prop, Robin Cowling, and the England B flank forward, Steve Johnson, have definitely decided they cannot tour. Cowling is a farm manager and it is the wrong time of year for him with harvest approaching, while Johnson's police duties do not permit him time. It could round off a hectic summer for the present captain, Peter Wheeler, who is a virtual certainty to go to South Africa with the British Lions earlier in the s[um]mer.

An official party of 27 will [be] leaving Leicester on July 31, [in]cluding 24 players who have [had] to find £200 towards the ov[erall] cost of above £20,000. The res[t of] the money comes from m[atch] guarantees and a variety of f[und] raising efforts in Leicester [and] Leicestershire.

Both Eastern Suburbs and R[and]wick have played at Leices[ter's] Welford Road ground while [on] world tours and it was a R[and]wick player, John Quick, [who] formed a much-feared Leic[ester] back row with David Matt[hews] and Robert Small in the [] sixties. The Fijian national [side] who made a short tour in [] at the original invitation of S[wan]sea, celebrating their own cen[ten]ary that year, received the [] defeat of their tour against Le[ices]ter and would no doubt welc[ome] the opportunity of levelling [the] score on their own soil.

Queensland will be playing [] in the 1980-81 season, for they [re]turn match at Welford Road [] to tour in this country du[ring] September/October. Leicester [will] also entertain the Irish W[olf]hounds and Ballymena du[ring] their centenary season and t[here] is a strong possibility Romania will also play the[m] in October.

Squash rackets

Hunt can expect a warm reception on his birthday

By Rex Bellamy
Squash Rackets Correspondent

Geoffrey Hunt, of Melbourne, the world squash rackets champion, celebrates his thirty-third birthday by playing Mohibullah Khan in the semi-final round of the British open championship, sponsored by Avis, at the Wembley Conference Centre today. Hunt is attempting to equal Hashim Khan's record total of seven British titles. In the other match Qamar Zaman, the 1975 winner, will be opposed by Maqsood Ahmed, a newcomer to the last four.

For the third consecutive year the Pakistanis—all eager to protect Hashim's record—have joined Hunt in the semi-final round. Hunt and Zaman, four years his junior, began the championship as joint favourites and have both been playing as if hoping they might be able to reserve their best squash for each other. Hunt has lost three games, Zaman four. Gogi Alauddin led Zaman by two games to one and with a more solid basis of self-confidence might have pushed him even closer to the brink.

By contrast today's "outsiders" have been mercilessly good. Maqsood has lost only one game, Mohibullah none. Hunt and Zaman can leave nothing to chance today. For several years the leading players have had a clearly defined pecking order disturbed only by a little shuffling about among the Pakistanis placed from two to six in the world rankings. Among these the rising star is Maqsood, whose shots are almost as boldly exciting as Zaman's. It seems likely that two more youngsters, Gamal Awad and Jahangir Khan, will soon force their way into the top 10.

The Zaman-Maqsood match is likely to be the more entertaining of the two today. It is unfortunate that the uneasy marriage between squash court and Conference Centre will make it difficult for most spectators to appreciate to the full the spectacle distantly in front of them. It is possible, of course that the referee or marker may fall out of the gantry suspended over the backwall. But their abrupt descent from the role of higher authority would not be an adequate substitute for watching the squash at much closer quarters.

During periods of radical change it is essential to distinguish good ideas from bad ones. The existing arrangements for viewing squash at the Conference Centre come into the second category.

Ice skating

Cousins to prove as good as his word

From John Hennessy
Dortmund, March 10

One of the most telling remarks, at least to British ears, during the recent Winter Olympics at Lake Placid, came from Robin Cousins, the morning after his victory in the men's figure skating. "I know I can do better and I know I shall have to do better in Dortmund", he said, "to prove I'm a worthy champion". It acknowledged the tinge of disappointment that he, along with his admirers, felt at his not being quite able to produce his best when the world was watching.

Those same admirers will be hoping that he will prove as good as his word in the world championships this week—that his compulsory figures tomorrow morning will be good enough not to ask too much of his free skating, that he will again brilliantly survive the perils of the following day's short programme (as he did at Lake Placid), and that every one of his tricks will this time come off on Thursday night.

The alternative to any of these premises is that his chance of adding the world title to the European and Olympic prizes will be in jeopardy. He had virtually nothing to spare when the sums were totted up at the end at both Göteborg (Europeans) and Lake Placid, so he is vulnerable to counter-attack, particularly by Jan Hoffmann, of East Germany, now narrowly beaten twice by the British champion. Hoffmann, though only 24, won the world title as long ago as 1974 and is now skating better than ever before.

On the evidence of Göteborg, Cousins has much less to fear elsewhere. Vladimir Kovalyov (Soviet Union), who withdrew from the Olympics because of a heavy cold, is not defending his world title and none of the Americans seems to have the all-round equipment to offer a serious challenge. Thus the main event this week has the appearance of a match between Cousins and Hoffmann, two such generous sporting characters that one would be inclined to add may the better man win, did it not sound so anaemically wet at a time when Britons need all the morale boosters they can find.

The women's competition similarly seems to have developed into a two-horse race between Anett Pötzsch (East Germany) and Linda Fratianne (United States), holders respectively of the Olympic and world titles. It is the American's turn to win. On four successive occasions now she and Miss Pötzsch have changed positions in the top two places.

For Britain the event is particularly interesting for the reappearance of the 17-year-old Deborah Cottrill (Solihull) in international competition. Because of her defeat in the British championship she was unable to go to Lake Placid, but her clear superiority over Karena Richardson, her successor as British champion, during the European championships, won her the single place available to Britain for Dortmund. She has had problems over trainers *but recently she has* been sitting at the feet of Gladys Hogg, ice skating teacher extraordinary, and that may be able to release the abundant talent in her comely frame.

Life has been made easier for the British ice dance champions, Jayne Torvill and Christopher Dean, by the withdrawal of the Czechoslovak representatives, who stole fourth place from Britain in the Olympics. But a big stride forward is still needed if we are to get among the medals.

The pairs competitions, in the regrettable absence (already reported) of both the Olympic and world champions, Irina Rodnina and Alexander Zeitsev (Soviet Union) and Tai Babilonia and Randy Gardner (United States) respectively, has declined from a resounding clash of arms to a non-event. Apart from the Russians taking part in next Sunday's exhibitions we have probably seen the last of both pairs, a sad counterpart to the excitement generated by Cousin's attempt at a third big title.

Under treatment: Miss Fratianne said she was suffering from water on the ankle and was not in peak condition because of the soreness on her landing foot. "A doctor is treating it but it doesn't see mto be doing any good", she said after a practice session last night. Her coach, Frank Carroll, said there was an outside chance that the injury could keep her out of competition but he wasn't planning to withdraw her unless the soreness gets considerably worse later in the week.

Helsinki gets the vote

Paris, March 10.—The inaugural world athletics championship will be held in Helsinki in 1983, the International Amateur Athletic Federation (IAAF) council decided here today. The council voted, by 11 to six, to award the championships to Helsinki rather than Stuttgart, the only other applicant.—

Yachting

Fourth success in a row for Murray

Auckland, March 10.—The Australian skipper, Iain Murray, won the world 18-footer yachting championship in New Zealand today and declared he was planning to compete in the America's Cup.

Murray, in taking the world skiff title for an unprecedented fourth time in a row, said he and a group of fellow yachtsmen had their eye on challenging for yachting's glamour 12 metre trophy in 1983.

He said before today's re-sail of the final heat, in which he finished second, that he hoped to get a crew together by September to prepare for the challenge. "We would buy or build a 12 metre to work up in, and then build a second for the challenge itself", Murray said. "This kind of professional approach over a long time is the only way anyone will ever take any cup off the Americans."

The Sydney yacht designer would have wrapped up the 18-footer series yesterday but race seven was abandoned when the 32-boat fleet failed to finish the course within the three and a half hours time limit. John Winning, a fellow Australian, took the re-sailed heat today.

SEVEN RACE (re-sailed): 1, J. Winning (Aust); 2, I. Murray (Aust); 3, P. Sorenson (Aust); 4, T. McDell (NZ).

FINAL STANDINGS: 1, Murray 17.7 pts; 2, Winning 31 pts; 3, Sorenson 35.7 pts; 4, R. Brown (Aust) 37.7 pts; 5, D. Porter (Aust) 56.1 pts; 6, T. Barnabas (Aust) 65.4 pts; 7, G. Coleman (NZ) 69.4 pts; 8, R. Chapman (Aust) 74.4 pts.

British placings: 27, M. Pettel, 188; 32, T. Nelson, 218.—Agence France-Presse.

Rugby League

Cup final derby at Wemble[y] is hope of Humberside

By Keith Macklin

This could be the year of the local derby at Wembley. After the stage had been set earlier in the day for a Merseyside football final, those responsible for picking numbered balls out of bags laid the framework for a Humberside Rugby League final.

With Hull Kingston Rovers drawn against Halifax, a second division side, in one semi-final round tie and Hull taking on the favourites, Widnes, in the other, avid followers of the 13-a-side game on the east coast were rubbing their hands last night at the prospect of a repeat of the BBC 2 floodlit final, won by Hull.

However, Halifax, the giant killers, and Widnes, a remorseless cup machine, will have other ideas on the matter. Halifax fear no one after beating the newly promoted Featherstone Rovers; fellow promotion hopefuls, Barrow, and last year's finalists, Wakefield Trinity, in the first three rounds. These victories have proved and amplified the theory of the Halifax coach, Maurice Bamford, that "If you stop the other side from scoring, you can't lose."

This dictum will be tested to its limits by Hull Kingston Rovers, one of the most attractive sides in the league, whose victories [are] won by pace and skilful hand[ling] rather than dour forward conf[ron]tations. It will be an interes[ting] battle of totally contrasting tac[tical] plans, with Rovers' greater att[ack]ing skills likely to tip the scale.

The match between Hull [and] Widnes is sure to be as clo[sely] fought as the Bradford Norther[n v] Hull game on Saturday. Hull [base] their game, unlike their ne[igh]bours, on fierce and dedic[ated] tackling, strong forward thr[ust] and a minimum of attacking thr[ee]quarter play. Widnes, as every[one] in the game now knows, pla[y a] consistent, all round game, p[ress]ing and waiting for weakness. This match will be low scor[ing,] tight and the grimmer confr[ont]ation of the two.

The Halifax v Hull KR se[mi] final will be played on Saturd[ay] March 22, and the Hull v Wid[nes] tie the following Saturd[ay]. Grounds will be announced tod[ay]. Headingley will stage one of th[em] and possibly both.

Challenge Cup draw

Halifax v Hull Kingston Rov[ers] (on March 22).
Hull v Widnes (on March 29).

Latest European snow reports

	Depth (cm) L	Depth (cm) U	Piste	Conditions Off piste	Runs to resort	Weather (5 pm)
Crans-Montana	80	250	Good	Powder	Good	Fine
Excellent skiing conditions						
Flaine	135	625	Good	Powder	Good	Cloud
New snow on good base						
Kitzbühel	25	160	Good	Heavy	Good	Cloud
Good skiing everywhere						
Sauze d'Oulx	20	85	Fair	Varied	Worn	Fine
Almost summer skiing						
Val d'Iserè	220	330	Icy	Powder	Good	Fine
Recent heavy fall of snow						
Wengen	45	140	Good	Varied	Good	Fair
Powder on north facing slopes						
Wildschönau	50	180	Powder	Powder	Good	Fair
Powder on hard base						

In the above reports, supplied by representatives of the Ski [Club of] Great Britain, L refers to lower slopes and U to upper slopes. [The] following reports have been received from other sources.

	Depth (cm) L	Depth (cm) U	State of Piste	Weather	°C
AUSTRIA					
Alpbach	30	150	—	—	0
Axamer-Lizum	—	125	—	—	-3
Badgastein	30	140	—	—	-4
Berwang	85	150	—	—	-1
Brand	30	150	—	—	-3
Gargellen	90	210	—	—	-5
Hochsolden	35	195	—	—	-3
Igls	15	65	—	—	-1
Ischgl	70	210	—	—	-1
Kaprun	—	300	—	—	-13
Lech	180	230	—	—	-3
Lermoos	35	180	—	—	-2
Lienz	30	160	—	—	-3
Mayrhofen	5	155	—	—	-2
Mitterndorf	28	235	—	—	-6
Obergurgl	130	195	—	—	-5
Obertauern	260	390	—	—	-7
Saalbach	95	190	—	—	-1
St Anton	95	450	—	—	-1
Schruns	0	160	—	—	-3
Seefeld	50	115	—	—	-2
Zurs	190	250	—	—	-5
FRANCE					
Chamonix	60	850	Pwdr	—	—
Courchevel	75	280	Pwdr	—	—
La Clusaz	70	250	Pwdr	—	—
La Plagne	245	450	Pwdr	—	—
Les Contamines	50	350	Pwdr	—	—
Les Deux Alpes	65	430	Pwdr	—	—
Les Menuires	115	385	Pwdr	—	—
Megève	20	200	Pwdr	—	—
Méribel	165	290	Pwdr	—	—
Montgenèvre	130	170	Good	—	—
Pra-Loup	40	120	Good	—	—
St Gervais	120	245	Pwdr	—	—
Superdévoluy	60	190	Pwdr	—	—

	L	U	State	Weather
ITALY				
Abetone	165	240	Good	[illegible]
Bardonecchia	10	60	Icy	[illegible]
Bormio	10	220	Good	[illegible]
Canazei	40	250	Good	[illegible]
Claviere	80	90	Icy	[illegible]
Cortina	40	100	Good	[illegible]
Corvara	30	100	Good	[illegible]
Courmayeur	50	430	Pwdr	[illegible]
Livigno	50	140	Good	[illegible]
Macugnaga	20	240	Icy	[illegible]
Madesimo	40	190	Good	[illegible]
Ortisei	50	290	Good	[illegible]
San Martino	20	145	Good	[illegible]
Selva	15	160	Good	[illegible]
Sestriere	70	80	Icy	[illegible]
Vipiteno	10	[illegible]	Good	[illegible]
SWITZERLAND				
Adelboden	50	150	[illegible]	[illegible]
Andermatt	90	200	Pwdr	[illegible]
Arosa	140	70	Pwdr	[illegible]
Braunwald	100	170	Pwdr	[illegible]
Champery	10	180	Pwdr	[illegible]
Chateau d'Oex	—	100	Pwdr	[illegible]
Diablerets	70	100	Pwdr	[illegible]
Engelberg	[illegible]	150	[illegible]	[illegible]
Grindelwald	20	140	Pwdr	[illegible]
Gstaad	70	150	Pwdr	Good
Kandersteg	40	170	Pwdr	[illegible]
Klosters	70	230	Pwdr	[illegible]
Lenk	20	150	Pwdr	[illegible]
Lenzerheide	160	170	Pwdr	Good
Les Diablerets	50	110	Pwdr	Good
Leysin	50	150	Pwdr	Good
Murren	90	120	Pwdr	Good
Pontresina	80	120	Pwdr	Good
Saas-Fee	100	280	Pwdr	Good
St Cergue	30	50	Pwdr	Good
Savognin	30	140	Pwdr	Good
Villars	50	170	Pwdr	Good
Zermatt	100	300	Pwdr	Good

For the record

Cycling

VILLARD DE LANS: Paris to Nice race, fifth stage: 1, K. Thaler (W Germany), 4hr 57min 40sec; 2, D. Willems (Belgium), 4:57:44; 3, G. Knetemann (Netherlands), 4:57:48; 4, F. Maertens (Belgium); 5, S. Mutter (Switzerland); 6, C. Berard (France), all same time. Overall: 1, G. Lassale (France), 22:43:30; 2, S. Mutter, 22:46:30; 3, S. Contini (Italy), 22:47:31; 4, G. Knetemann, 22:47:37; 5, L. van Vliet (Netherlands), 22:47:49; 6, T. Prim (Sweden), 22:48:19.

SUBIACO: Tirreno to Adriatico race, second stage: 1, R. de Vlaeminck (Belgium), 4hrs 25min 30sec; 2, F. Moser (Italy), 4:25:30; 3, P. Gavazzi (Italy), 4:25:35; 4, S. Kelly (Ireland), 4:25:36; 5, A. de Wolf (Belgium); 6, G. Saronni (Italy), same time. Overall: 1, F. Moser, 10.3.30; 2, R. de Vlaeminck, 10.3.50; 3, G. Saronni, 10.4.0.

Show jumping

DEN BOSCH: 1, H. Nooren (Netherlands), Funest, 50.4 sec; 2, G. Wiltfang (W. Germany), Goldika, 51.5; 3, E. Cuepper (Belgium), Sympatico, 61.1; 4, D. Ricketts (GB), Coldstream, 63.3; 5, F. Ligges (W. Germany), Goya, 64.5; 6, E. van Paesschen (Belgium), Red River, 64.6.

Golf

LOS ANGELES: Women's tournament (US unless stated): 207: J. Carner, 69, 71, 67. 210: D. Massey, 69, 70, 71; K. Postlewait, 70, 68, 72. 211: N. Lopez, 73, 71, 67. 214: A. Alcott, 71, 72, 71; P. Bradley, 71, 73, 70. 215: J. Britz, 76, 73, 66; D. Young, 73, 72, 70. 216: J. Alex, 71, 71, 74. 217: V. Brownlee, 74, 72, 71; B. Solomon, 72, 71, 74. 218: L. Bruce (Canada), 69, 72, 77; M. Smith (NZ), 73, 71, 74. 219: P. Pulz (Australia), 74, 72, 73. British score: 225: J. Lee Smith, 74, 78, 73.

EDGBASTON: Schools championship, qualifying round: 1, Riland Bedford, Sutton Coldfield, 250; 2, King Edward's, Birmingham, 254; 3, King Edward VI, Birmingham, 255. Individual: T. Pickering (King Edward's), 75.

Tennis

ATLANTA: Women's singles final: Miss K. McDaniel (US) beat Dr R. Richards (US) 4—6, 6—4, 7—6.

HARTFORD: World Cup tournament: Singles: J. Osborne (US) beat J. Newcombe (Australia), 7—5, 6—7, 6—3. Doubles: D. Ralston and C. Pasarell (US) beat R. Emerson and R. Laver (Australia), 5—6, 7—6, 6—2.

Basketball

NATIONAL ASSOCIATION: Philadelphia 76ers 134, San Antonio Spurs 118; Atlanta Hawks 98, New York Knicks 92; New Jersey Nets 140, Detroit Pistons 100; Washington Bullets 133, Boston Celtics 128; Kansas City Kings 113, Seattle Supersonics 95; Cleveland Cavaliers 113, Indiana Pacers 107; Phoenix Suns 113, Chicago Bulls 103; Golden State Warriors 125, San Diego Clippers 107; Portland Trail Blazers 142, Los Angeles Lakers 121.

Today's fixtures

Kick-off 7 30 unless stated.

FIRST DIVISION: Arsenal v Bristol City; Bolton Wanderers v Norwich City; Liverpool v Manchester City; Middlesbrough v Ipswich Town; Nottingham Forest v Tottenham Hotspur.

SECOND DIVISION: Birmingham City v Chelsea; Bristol Rovers v Preston North End; West Ham United v Notts County.

THIRD DIVISION: Swindon Town v Carlisle United; Wimbledon v Barnsley.

FOURTH DIVISION: Doncaster Rovers v Hartlepool; Rochdale v Lincoln City.

SCOTTISH SECOND DIVISION: Alloa Athletic v Falkirk.

SOUTHERN LEAGUE: Cup (Semi-final round, second leg): Hastings v Dartford. League (Midland division): Bedworth v Enderby Town; Merthyr Tydfil v Cambridge City; Stourbridge v Trowbridge; Wellingborough v Barry; Witney Town v Kidderminster. Southern division: Crawley v Gosport; Dorchester v Folkestone and Shepway; Margate v Aylesbury (7 15).

NORTHERN PREMIER LEAGUE: John Smith's Cup: Third round: Marine v Goole. League: South Liverpool v Lancaster.

ISTHMIAN LEAGUE: Premier division: Carshalton v Dulwich Hamlet; Hayes v Sutton; Staines v Slough; Walthamstow Avenue v Enfield. First division: Bromley v Leytonstone and Ilford; Chesham v Bishop's Stortford; St Albans v Finchley; Walton and Hersham v Epsom; Farnborough v Ware.

ATHENIAN LEAGUE: Harefield v Uxbridge; Windsor and E v Ruislip Manor.

OTHER MATCHES: FA XI v UAU (Altrincham); Southampton v Vancouver Whitecaps.

RUGBY UNION: Leicester v Loughborough Students (7.15); Newport v Abertillery (7.15).

Motor cycling

Pons benefits from rival's untimely exit

Daytona Beach, March 10.—Patrick Pons, of France, won the Daytona 200 motorcycling event here riding his Yamaha at an average speed of 107.555 miles an hour.

Pons, a Parisian who finished third here last year, is the reigning formula 750cc world champion. Dale Singleton, of the United States, finished second and Boer Van Dulmen, of The Netherlands, was third, both riding Yamahas.

The race was halted for two-and-a-half hours by a heavy rainstorm and high winds on the leader's ninth lap. Freddie Spencer, an 18-year-old American, who also was aboard a Yamaha, held a 15-second lead when the race was halted. Spencer pulled steadily away from Pons and the Americans, Gene Romero and Skip Aksland when the race was restarted. Spencer held a 43-second lead by the 30th lap of the 52-lap event, but a broken crankshaft put him out on the 40th lap.

Singleton, last year's winner here, was well behind the leaders in the early laps of the 200-mile event due to a carburettor problem. The delay enabled his crew to adjust the carburettor and he moved up from 10th place to take second.

Kenny Roberts, of the United States, the fastest qualifier and the current 500cc world champion, was a heavy favourite here. But the strongly-gusting winds blew some dust into the carburettor of his Yamaha during the warm-up period, damaging the engine. He went two laps at non-competitive speeds before retiring.

The British rider, Neil Tuxworth, fractured his left elbow in a crash on the 47th lap.

RESULTS: 1, P. Pons (France), Yamaha, 107.55 mph; 2, D. Singleton, Yamaha; 3, B. Van Dulmen (Netherlands), Yamaha; 4, S. Aksland, Yamaha; 5, M. Fontan (France), Yamaha; 6, D. Aldana, Suzuki; 7, R. Pierce, Honda; 8, B. Del Monico, Yamaha; 9, J. Adamo, Yamaha; 10, H. Klinzmann, Yamaha. British placing: 12, B. Woodland, Suzuki.—Reuter.

The last straw: Richichi, an American rider, exits the hard way from the Daytona 200.

Cricket

Draw looks inevitable after Chappell's decision to bat on

Faisalabad, March 10.—Australia's chances of squaring the Test series against Pakistan appeared almost non-existent after the fourth day of the second Test here, today.

Australia amassed 617 in their first innings—the highest Test score made in Pakistan—and the home side replied with 108 for one, in the final 135 minutes. Three days' play have produced only 11 wickets (the first day was washed out) and it is inconceivable that Pakistan, who won the first Test by seven wickets, will be bowled out twice on the final day tomorrow.

Australia resumed at 478 for five this morning and their captain, Greg Chappell, let the innings run its course. Pakistan's long stint in the field eventually ended an hour after lunch when Yallop, who was 108 overnight, was bowled by Wasim Raja for 172.

Yallop and the wicketkeeper, Marsh, carried their sixth-wicket stand to 127 before Marsh was leg before to Tausif Ahmed for a hard-hit 71, which included two sixes. The last three wickets fell for 39 runs in the afternoon session, three of them to the leg spin of Raja. The off spinner, Tausif Ahmed, also took three wickets, but Iqbal Qasim had no success in 56 overs of left arm spin.

Australia's hopes of a quick breakthrough were foiled by the opening batsmen, Taslim Arif and Haroon Rashid, who put on 87 before Haroon was trapped leg before by the left arm medium pace bowler, Dymock, for 21. Dymock was the pick of the attack, conceding only 16 runs in 11 overs, but Lillee was well below his best. His 11 overs cost 53 runs, many of them coming from the bat of Taslim, who ended the day 67 not out.

AUSTRALIA: First Innings

B. M. Laird, c Taslim Arif, b Sarfraz Nawaz	0
J. M. Wiener, b Ehteshamuddin	5
K. J. Hughes, c Ehteshamuddin, b Tausif Ahmed	88
*G. S. Chappell, l-b-w, b Sarfraz Nawaz	235
G. N. Yallop, b Wasim Raja	172
A. R. Border, run out	4
R. W. Marsh, l-b-w, b Tausif Ahmed	71
G. Beard, c Sarfraz Nawaz, b Tausif Ahmed	13
R. J. Bright, b Wasim Raja	0
D. K. Lillee, l-b-w, b Wasim Raja	0
G. Dymock, not out	0
Extras (b 11, l-b 10, n-b 3)	24
Total	617

FALL OF WICKETS: 1—1, 2—21, 3—300, 4—417, 5—434, 6—561, 7—585, 8—592, 9—612, 10—617.

BOWLING: Sarfraz 49—13—119—2; Ehteshamuddin 18—2—59—1; Qasim 56—11—156—0; Tausif 33—5—77—3; Raja 30—5—100—3; Majid 22—2—66—0; Miandad 3—0—16—0.

PAKISTAN: First Innings

Taslim Arif, not out	67
Haroon Rashid, l-b-w, b Dymock	21
Zaheer Abbas, not out	7
Extras (b 2, l-b 3, n-b 8)	13
Total (1 wkt)	108

*Javed Miandad, Wasim Raja, Majid Khan, Mudassar Nazar, Ehteshamuddin, Sarfraz Nawaz, Iqbal Qasim, Tausif Ahmed to bat.

FALL OF WICKET: 1—87.

BOWLING (to date): Lillee 11—0—53—0; Dymock 11—4—16—1; Bright 10—3—26—0; Border 2—0—0—0.—Reuter.

Victoria retain Shield title

Adelaide, March 10.—The Australian Test leg spinner, Jim Higgs, took six for 57 in 20.1 overs as Victoria retained the Sheffield Shield with an exciting 33-run victory over South Australia here today. Victoria had to win the match to take the title and their captain, Whatmore, made a bold overnight declaration, setting South Australia 244 to win.

South Australia started well and were 90 for one at lunch; but they lost Ian Chappell for 32 and Inverarity for 58 immediately afterwards, and their last nine wickets tumbled for only 70 runs in 109 minutes.

SCORES: Victoria 365 for 8 dec and 132 for 6 dec; South Australia 304 and 160 (R. J. Inverarity 58, J. D. Higgs 6 for 57).—Reuter.

Operation for Hendrick

Mike Hendrick, the Derbyshire fast bowler who was forced to return home early from England's tour of Australia, will have an operation later this month on a damaged joint in his shoulder.

Hendrick, aged 31, hopes to be available for the start of the new season at the end of April and to prove his fitness for the Test series against West Indies.

Lancashire have blocked a move to reinstate the opening batsman Barry Wood. Several of Wood's supporters were organizing a petition demanding his recall; but the club chairman, Cedric Rhoades, said: "There is not the slightest chance of Wood being allowed to return to Old Trafford. The committee were unanimous in the condemnation of his demand for a £10,000 salary and none of them have changed their mind."

Boxing

Ali plans to meet Ledoux to warm up for Tate

New York, March 10.—After receiving 10 stitches in his mouth, Muhammad Ali has decided that he could still return to the ring in June—but against Scott Ledoux, not against John Tate. Ledoux last night inflicted a first defeat on Marty Monroe, a fellow American, on points.

Before meeting Tate for the World Boxing Association championship that he relinquished last June when he retired, Ali has decided to take at least one warm-up bout. Sam Marshall, of Muhammad Ali Sports Promotions, said that the former champion's own company would promote the contest in mid- or late June. Mr Marshall, the promoter for the company, said that Ali had agreed to Ledoux as his opponent.

Ali suffered a cut inside his mouth on Saturday while sparring with Jeff Sims in Miami Beach. The injury will prevent him from sparring for at least four weeks, but he will still be able to trim his overweight body.

According to Dr Tom Baker, a Miami plastic surgeon who tended to Ali, the inch-long cut sliced through the muscle tissue in Ali's lip. The injury required four internal stitches to reconnect the muscle and six external sutures to close the wound. Dr Baker did not think the injury was serious, however. It was a freak accident, he said. It happened because he was not wearing a gumshield.

Dr Ferdie Pacheco, who was Ali's personal physician until late in 1978, said he thought the cut would take at least four weeks to heal and that he can be cut open at any time in the future. Even before the injury, Ali promised Harold Smith, executive director of Muhammad Ali Sports, that he would not rush into a 15-round championship match, but rather build up to it with easier bouts.

The three-times heavyweight champion signed an agreement with Bob Arum to meet Tate in a $14m title bout. However, if Arum is unable to raise this money in Taiwan—and most rival promoters believe Arum will be unable—that agreement will become void. This would allow Ali's company to promote the first contest by the greatest draw in boxing history since his 1978 bout with Leon Spinks, when he won the title for a record third time.

Ledoux is slow, and his punching power should not put too much of a strain on Ali's health. In beating Monroe, Ledoux also won an April 19 date with the undefeated Gerry Cooney in Atlantic City. Marshall said that should prove no problem to the 31-year-old boxer's match with Ali.

Gymnastics

Thomas the best bar none

New York, March 10.—The world champion, Kurt Thomas, his arm raised in victory by his team colleague, Bart Conner,—scored a perfect 10 on the horizontal bars as he and Tracee Talavera aged 13, won the American Cup championship. Thomas received three tens and a nine from the judges, with the lowest score deleted. A United States Gymnastics Federation spokesman said it was the only 10 ever awarded for horizontal bar competition.

Thomas scored 58.35 overall points to surpass the meeting record of 51.0. Conner received 58.40 points for second place in the men's division, followed by Stojan Deltchev of Bulgaria with 57.45. Miss Talavera led the female competitors with 39.10, followed by Emilia Eberle of Romania with 39.00 and America's Marcia Frederick with 30.30.

Thomas scored a 9.70 on the rings, in a tie with Conner. He won the floor exercise with a 9.70 and the pommel horse with a 9.90. It was a meeting record for the pommel horse. Thomas won the parallel bars with a 9.90.

Miss Talavera scored a 9.75 on her floor exercise on Saturday to tie for first place in that event with Miss Eberle. Other competitors who had advanced to the final stages were Vennily with 57.4 overall points, Zoltan Magyar of Hungary, 57.35, Alexander Yeveev of the Soviet Union, 56.75, Michel Boutard of France, 56.65, and Henri Boerio of France, 55.90.

OVERALL: MEN: 1, K. Thomas (US) 58.85 pts; 2, B. Conner (US) 58.40; 3, S. Deltchev (Bulgaria) 57.45. WOMEN: 1, T. Talavera (US) 39.10; 2, E. Eberle (Romania) 39.00; 3, M. Frederick (US) 38.00.

Thomas: given three tens and a nine by judges.

Racing

Third time plucky for Monksfield

By Michael Phillips
Racing Correspondent

The Waterford Crystal Champion Hurdle is the centrepiece of this, the first day of the National Hunt Festival at Cheltenham and everything is pointing to Monksfield emulating Hatton's Grace, Sir Ken and Persian War and becoming only the fourth horse in 53 years to win the race three years running. If he does succeed again he will be worthy of the book that has just been written about him by Jonathan Powell simply called *Monksfield* (World's Work, Ltd., £6.95).

Some may say that Monksfield has already done enough to deserve a book. In my opinion that moment will come shortly after 3.30 when I hope to see him stride in triumph into the unsaddling enclosure yet again. The picture on the cover of Powell's book is a fine illustration of Monksfields brilliant hurdling technique and indomitable spirit. Small in stature but big in heart he has twice outfought Sea Pigeon up Cheltenham's famous hill and I expect to see him do it for a third time this afternoon. When he arrived from Ireland on the course on Sunday his well-being was evident and he is a confident selection.

As the build-up to the big race reached a further pitch yesterday no one analysed the situation more succinctly than Sea Pigeon's rider, John O'Neill. Discussing the race he said: "You have to face the fact, Sea Pigeon was absolutely right a year ago, whereas Monksfield was not and still Monksfield won. This time it's the other way around, so how on earth can Sea Pigeon turn the tables on him?"

A badly-bruised foot has completely interrupted Sea Pigeon's training schedule this year; so much so that his participation was very much in doubt until 10 days ago. His trainer, Peter Easterby, has worked many miracles in the past but to win a Champion Hurdle with Sea Pigeon now is surely beyond even his powers. Races of this nature are seldom if ever won by horses whose preparations have been so disrupted and invariably it pays to disregard them.

In contrast, Monksfield's build-up has gone entirely according to plan ever since a low blood count was diagnosed in December. His preparatory race at Leopardstown last month was brimful of promise and there is every reason to believe that we will see a champion performance from the champion today, even though the ground may be softer than he cares for after all the recent rain. No one should be surprised, either, if Monksfield makes his own running if no one else is prepared to set a pace that is to his jockey's liking.

If it comes to a battle up the hill Pollardstown will match Monksfield for courage as he showed when he won the Triumph Hurdle last year, but Pollardstown is not nearly such a fluent jumper as Monksfield and a brilliant technique is essential in a race of this class. You can get away with slipshod hurdling against lesser lights, but not when pitched against a horse of Monksfield's calibre. Pollardstown has fallen in two of his three races this season. On the one occasion he put in a clear round he beat Connaught Ranger by two and a half lengths at Sandown Park. And that all ties up. Earlier in the season Connaught Ranger had a couple of hard scraps with Celtic Ryde, who was runner-up to Pollardstown in last year's triumph.

In all, nine have stood their ground for the Champion Hurdle. What now of the others? This will be the fifth time that Birds Nest has taken part. He started favourite in 1977, but the best he has ever done was to finish second to Night Nurse the year before. He has been in good form this season without quite looking like a budding champion at the age of 10.

Broadleas is a six-year-old owned by Dorothy Price, whose husband, Ryan, trained three horses of that age to win the Champion—Clair Soleil, Fair Time, and Eborneezer. Against that successful backcloth, Josh Gifford the horse's trainer, was all for letting them have a crack at the best instead of taking on novices again. It will be a bold stroke if it comes off, but I cannot quite see it happening, lovely individual though Broadleas is.

Apart from Monksfield the most interesting runner in the field is arguably Paiute, who won the French equivalent of our Champion Hurdle last year. That race was over three and a quarter miles, though. Today's is only over two and what is more our hurdles are altogether different from the French. If he does adapt without any previous experience here Paiute should be good enough to finish in the first four. The same cannot really be said of either Royal Boxer or Norfolk Dance, even though the latter did manage to beat Celtic Ryde at Cheltenham in January. John Francome stole the race that day and I cannot visualise him catching the others unawares this time.

If Monksfield does win he could easily be one of four winners to come from Ireland today. Daring Run (2.15), Kilkillwell (4.40) and Seventh Son (5.15) are the others as suggested yesterday by our Irish correspondent, with whom I am in complete agreement. The two prizes that may escape their net are the Arkle Challenge Trophy and the Waterford Crystal Stayers Hurdle. These, I hope, will be won by Beacon Light and John Cherry.

Beacon Light has done nothing wrong since switching from hurdling to steeplechasing and it goes against the grain to oppose one of his class with his record. An uncharacteristic fall robbed John Cherry of almost certain victory in his last race. Provided that his confidence and enthusiasm has not suffered he ought to be capable of outstaying his rivals over three miles and a furlong.

STATE OF GOING (official): Cheltenham: Soft. Sedgefield: Soft. Tomorrow: Cheltenham: Soft. Stockton: Heavy (inspection today at 4 pm).

Cheltenham programme

[Television (BBC 2): 2.15, 2.50, 3.30 and 4.5 races]

2.15 WATERFORD CRYSTAL SUPREME HURDLE (Novices: £12,189: 2m)

2.50 ARKLE CHALLENGE TROPHY CHASE (£11,860: 2m)

3.30 WATERFORD CRYSTAL CHAMPION HURDLE (£24,972: 2m)

4.5 WATERFORD CRYSTAL STAYERS HURDLE £11,230: 3m 1f)

4.40 KIM MUIR MEMORIAL CHASE (Handicap: £5,033: 3m)

5.15 CHELTENHAM GRAND ANNUAL CHASE (Handicap: £5,943: 2m)

Cheltenham selections

By Our Racing Correspondent

2.15 Daring Run. 2.50 Beacon Light. 3.30 Monksfield is specially recommended. 4.5 John Cherry. 4.40 Kilkillwell. 5.15 Seventh Son.

Southwell results

Sedgefield programme

2.0 CROOK HURDLE (Handicap: selling: £432: 2m)

2.30 NORTON HURDLE (Handicap: £600: 2½m)

3.0 DURHAM NATIONAL CHASE (Handicap: £1,224: 3½m)

3.45 ROBIN SIMPSON CHASE (Handicap: £824: 2m)

4.20 CASTLE EDEN CHASE (Novices: £712: 2½m)

4.50 GROVE HURDLE (Novices: £504: 2½m)

Sedgefield selections

By Our Racing Staff

2.0 Gallery Royal. 2.30 Donjill. 3.5 Rubeic. 3.45 Caravino. 4.20 Golden Jest. 4.50 Blood Orange.

Ayr

Sports Council

BOA urged to defer decision on Games

By Richard Streeton

Mrs Thatcher's hard line against British participation in the Moscow Olympic Games was supported yesterday by the Sports Council. They agreed unanimously to back the government's efforts to put pressure on the Soviet Union to withdraw from Afghanistan and urged the British Olympic Association to defer its decision whether to take part in the Games "for as long as necessary".

The Sports Council received a government directive that no council money should be spent assisting the British Olympic team in its travel costs in the event of their deciding to go to Russia, and their own appeal falling short of its target. They also agreed that no Sports Council members or officials should attend the Games, contrary to normal practice. Dick Jeeps, the council chairman, said it was only fair to stress that their attitude would change before July if the political situation altered.

The most significant statements on South Africa and the forthcoming British Lions tour there came from Basil D'Oliveira, the Cape Coloured cricketer, who played for England and was a member of the council's delegation. He said he was originally against the rugby tour.

Mr Jeeps said however, "He now thinks the Lions' tour is most important; that rugby is a most powerful force and that it matters intensely what the captain and manager say in speeches in South Africa. He hopes the Lions will come back reporting that they have 'pushed the situation even further'. He thinks the Lions must view the trip as a political trip—the captain and manager may have to say many things that will hurt."

At any press conference taken by Mr Jeeps he dodges the burly-burly questions with the same adroitness and tough skin with which he used to evade opposing wing forwards. He declined to elaborate what the council's view was about the Lions tour except to say that members adhered to the Gleneagles agreement and were against unilateral action. One controlling boot for all races would be formed in South Africa for rugby next year.

Bernard Atha, a Leeds City councillor, and a member of the mission, interposed: "Rugby is making steps towards integration—some very surprising steps—but it still has a long way to go; therefore it falls into the category of those sports who are making progress."

This was a reference to three categories into which Mr Jeeps and the other four members of his group had divided South African sport and its attitude to apartheid, based on what they had seen, heard and experienced themselves. If a judgment had to be passed, they felt there was a category who fully met the demands laid down by their international federations and among such sports were association football, cricket, the paraplegic associations, athletics and boxing.

A second category consisted of sports who needed "a bit of a push" and there was a third category of sports who needed to be given every encouragement and incentive. Mr Jeeps declined to give examples of the sports in the second and third categories but by inference rugby belonged to the second.

Asked about the Craven schools rugby week, where currently there were problems being experienced about coloured school teams playing alongside white sides, Mr Jeeps cited the threat made by Dr Danie Craven, the leading Springbok rugby administrator, who recently said that any white rugby association who did not allow their team to play in an integrated Craven Week, would lose its fixture with the Lions.

Mr Jeeps warned against a retaliation from those sports which had progressed towards integration and were still not accepted. Pressed to give an overall judgment by the group, he said the changes seen "were not cosmetic, far from it, but were fundamental". There were still improvements needed in the black townships to the facilities already there; the coaching being undertaken had to be stepped up and a still larger capital expenditure introduced. Above all South Africa needed a national football stadium with a 100,000 capacity. As in Britain there were also attitudes among local authorities over the use of their amenities that had to change; further encouragement had to be given towards inter-school competition between racial groups.

Golf

Miller records first victory for four years

Lauderhill, Florida, March 10.—Johnny Miller scored his first victory on the American golf tour in four years today when he recorded a two-under-par 70 to capture a $300,000 tournament by two strokes here. Miller had a 72-hole total of 274 (14 under par). Bruce Lietzke and Charles Coody tied for second place with 276. Lietzke shot the tournament's lowest round, a seven-under-par 65 today, while Coody had a 67. Larry Nelson and Bill Rogers tied for fourth place on 277.

Miller, whose last previous victory was in the Bob Hope Desert Classic in 1976, received $54,000 for his triumph. He birdied three of the first five holes to take a five-shot lead, then played a relatively steady round thereafter. He took one over par at the 14th hole and then parred the last four holes.

Only when his approach found the putting surface on the 18th hole did Miller really relax. It was only then he knew he had it won. He shook hands with his caddy and, walking to the green in the bright, warm South Florida sunshine, he was welcomed back to the ranks of the winners by a standing ovation from the gallery.

Miller won the United States Open with a record score in 1973. He won eight tournaments and a record amount of money in 1974. In 1975 and 1976 he scorched the Arizona and California deserts with some incredible scoring and he also won the British Open in 1976. Then it all went sour—from $353,000 in winnings in 1974, Miller slumped to $17,000 in 1978.

LEADING SCORES: 274: J. Miller, 70, 68, 66, 70; 276: B. Lietzke, 69, 74, 68, 65; C. Coody, 69, 71, 69, 67; 277: L. Nelson, 68, 71, 68, 69; W. Rogers, 69, 73, 66, 69; 278: D. Tewell, 71, 68, 69, 70; J. Simons, 69, 70, 70, 69; D. Eichelberger 71, 68, 70, 69; M. Hill, 69, 67, 70, 72; 279: B. Fleisher, 71, 69, 71, 68; M. Hayes, 70, 69, 70, 70; J. Rodriguez, 67, 73, 71, 68; 280: R. Murphy, 67, 71, 72, 70; 281: A. North, 67, 73, 67, 74. Foreign scores: 282: S. Ballesteros (Spain), 71, 71, 70, 70; 301: Masashi Ozaki (Japan), 70, 75, 74, 82.—Agencies.

Tennis

Double victory for Miss Navratilova

Dallas, March 10.—Martina Navratilova confirmed her position as the world's leading woman player by cruising to a 6—3, 6—2 win over Evonne Cawley in the singles final of a $150,000 tournament here yesterday. Miss Navratilova also won the doubles when she and Billie Jean King defeated Wendy Turnbull and Rosemary Casals 4—6, 6—3, 6—3.

Miss Navratilova, the No. 1 seed, broke Mrs Cawley's service in the sixth game of the first set, but Mrs Cawley broke back in the seventh. However, Miss Navratilova broke service again in the eighth, and served out the ninth game to win the first set.

She broke Mrs Cawley's service in the first and fifth games of the second set and held two match points in the seventh game, but could not take advantage of them. In the eighth game Mrs Cawley had a break point but Miss Navratilova hit back with a sizzling volley at the net before finally winning on her fifth match point.

Miss Turnbull and Miss Casals started strongly in the doubles match, gaining two service breaks in taking the first set; but in the second Miss Navratilova took over with her powerful service. She and Mrs King took an early 3—0 lead and cruised on to the win. It was Miss Navratilova's fourth doubles win on the women's circuit, three of them with Mrs King as partner and the other with Miss Casals.

Borg will play: Bjorn Borg said in Düsseldorf yesterday that he would play for Sweden in the Davis Cup European zone semi-final round tie against West Germany in Sweden in June. According to recent reports in the West German press, Borg did not want to play against West Germany because he felt it would disrupt preparations for his latest defence of the Wimbledon title in the same month.—Agencies.

Skiing

Stenmark win not enough

Cortina D'Ampezzo, March 10.—The double Olympic champion, Ingemar Stenmark, of Sweden, regained the overall lead in this year's World Cup by winning the special slalom here today. But his hopes of lifting the title he last won two years ago are still remote as he cannot score more than his present total of 200 points.

Andreas Wenzel, of Liechtenstein, is only two points behind and needs just one seventh place in the three races left this season to follow Peter Luscher, of Switzerland, on the World Cup winners' list. Wenzel, brother of the women's World Cup winner, Hanni Wenzel, is expected to make sure of the title in tomorrow's giant slalom.

Today, however, belonged to Stenmark. The Swede shrugged off the indifferent form which has dogged him since his Olympic success and he led from the first leg with 46.77 seconds.

Stenmark made sure of his win and the World Special Slalom Cup with a second leg 44.15 which seemed destined to be the fastest of the day until the Italian, Karl Trojer, clocked 44.04 in a do-or-die effort. That enabled him to move from fifteenth to fourth place overall.

RESULT: 1, I. Stenmark (Sweden), 1 min 30.92 sec; 2, A. Zhirov (USSR), 1:31.32; 3, C. Orlainsky (Austria), 1:31.37; 4, K. Trojer (Italy), 1:31.51; 5, S. Mahre (US), 1:31.60; 6, C. Neureuther (WG), 1:31.80.

OVERALL: 1, Stenmark, 200p; 2, A. Wenzel (Liechtenstein), 198; 3, A. Steiner (Austria), 130; 4, P. Mahre (US), 125; 5 equal, B. Krizaj (Yugoslavia), J. Lüthy (Switzerland), 114.—Agencies

Russian runner-up: Alexander Zhirov who finished second in the special slalom.

A profile of the latest academic to be victimized by the Czech police

The silencing of Dr Julius Tomin?

Dr Julius Tomin was ordered to report to Prague police headquarters yesterday with his wife and one of his sons. On Saturday night police broke into the unofficial study group which he runs and took away Dr William Newton-Smith, senior tutor at Balliol College, Oxford, who was delivering a talk on the rationality of science. Dr Newton-Smith was deported early on Sunday morning. The following article is by another western philosopher who has lectured to Dr Tomin's group.

Dr Julius Tomin with his wife and two sons: What will his future be now in Prague?

Dr Julius Tomin is a specialist in classical philosophy with a doctorate from Charles University, Prague.

Denied a university post since 1968, he has worked as a turbine operator and nightwatchman at the zoo. He is now unemployed.

He is fiercely intransigent, prickly, fiery, and brave; *intensely jealous of his right to study and teach.* His teaching now is lavished on a group of 30 or so young people, most of whom have been excluded from higher education, in some cases as a result of attending his lectures. Some are the children of well-known signatories of Charter 77. All are exposed to harassment and the danger of prosecution and imprisonment.

Like many thousands of thinking people in Czechoslovakia they do menial jobs like cleaning floors, keeping parks, stoking boilers. They are passionately interested in philosophy and infinitely grateful to Dr Tomin for the lifeline he gives them to cultural tradition and intellectual adventure.

Dr Tomin spends some ten hours a day studying original texts. He is currently studying Aquinas's commentary on Aristotle. His interpretations are fresh and deep, his teaching intense and alive. His attitude is that his course is public and open and that in defending his way of life there must be no compromise with what he calls "The Security State", whose authorities know from much experience that he will resist, by hunger strike if necessary, all attempts to silence or negotiate with him.

They have interrogated him, denied his sons an academic education, beaten up his wife (a remarkably sensitive and intelligent woman and a leading spokeswoman for the Charter), threatened him with a psychiatric diagnosis, set policemen to chase him across fields and positioned two of them outside the door of his flat for five months, and tried to get him to leave the country (most recently he has received offers to give lectures at Cambridge and Balliol). He remains and fights back against all these harassments, while devoting more energy and time to his philosophy than most of his academic counterparts in the West.

For nearly a year Dr Tomin's course has been visited by a series of philosophers, following *an open letter from him to four* universities in the West, to which Oxford philosophers responded. More visits are planned—from various countries. The list of visitors, past and future, includes names of international eminence. They are treated as colleagues: "We are not," Dr Tomin told me forcefully, "grateful to you for coming. You come here because you wish to discuss philosophy with us."

The lectures take place in a crowded apartment, with Dr Homin translating, at times explosively interjecting his own comments, but patiently and carefully pursuing the argument wherever it leads. Abstraction is no barrier to rapt attention. One lecture on Kant, dealing with the most difficult and intricate points, lasted five hours *and the audience never faltered.* There is a constant sense of drama. Questions are insistent and probing, and the answers matter. The lecturer is treated with respect but not deference. Any retreat from the argument into "professional" expertise is noticed and deplored.

Dr Tomin's group is now well-*known outside Czechoslovakia,* but there are other such groups, in Prague and elsewhere, though they meet more clandestinely. I believe that the contribution visiting western intellectuals could make to such groups would be hard to overestimate. Not everyone agrees with Dr Tomin's public and combative stance and not everyone finds him easy to work with. But all can benefit from the active and growing interest generated in the West by his *invitation to western philosophers.*

Visitors who care to look for it can make contact with an underground intellectual and cultural life in Czechoslovakia, stifled but not extinguished by the "normalization" since 1968, fuelled by the circulating typescripts of the "Padlock Press", in the form of courses, discussion groups and private scholarship, but also of theatre groups, poetry readings and rock music.

I addressed one such discussion group on Marxism and morality in a beautiful apartment in northern Prague. The participants were philosophers and scientists by training and inclination—though, as always in Czechoslovakia, this is no clue to their menial occupations. Our host, a gentle ex-professor, now stokes the boiler *of his own apartment block.* The discussion was alive and exciting, but the topic was a disaster, and the problem, of course, was Marxism, not morality.

In Czechoslovakia today Marxism is intellectually dead. The humanist Marxism of the 1960s is long past.

Much of the underground intellectual life is to be found literally underground in the boiler rooms of Prague, where intellectuals commonly stoke the heating systems of apartments, hospitals and factories. One young scholar, who decided early not to pursue an academic career after 1968, has his own underground study-cum-seminar room, containing typewriter, books and papers, and a collection of bric-a-bac and kitsch, including a remarkable picture portraying *the apotheosis of* Stalin.

The other participants include an intellectual, on the point of expulsion from his post and the party for associating with Chartists (described in *his* dismissal *document* as "*incompetent persons*").

Our host disappears from time to time to stoke the boiler, as the discussion ranges over the linguistic parallels between Nazi and Soviet propaganda (his special topic of research). An intense intellectual life—small talk simply does not exist—is pursued singly and in small groups, by the stokers, nightwatchmen, tram-drivers and stock-keepers of Prague.

People like these and the students of Dr Tomin are simply trying *to maintain* what the latest Charter statement calls "some space for a life which has meaning and is not manipulated". As the statement says: "Even a small space won for independent and free activity is a space for genuine life."

It is common for our press to call such people dissidents, but this label seriously misdescribes them, for it suggests that they form a distinct group, a self-defined and politically motivated opposition. For one thing, the entire Czech population is "dissident", expressing its alienation in thousands of indirect ways, though always fearful of the party's watching eye. For another, they are ordinary citizens, with widely varying views and preoccupations, some politically motivated, others not. Some have a heightened degree of courage, some just cannot live otherwise than they do, some have just selected the wrong parents.

All they have in common is that they have been labelled as subversive and marginalized by the authorities for trying to do what should be normal and natural in any social order that values free thought and the maintenance of cultural traditions.

A Special Correspondent

Bernard Levin

This was no lady

So Winifred Wagner is dead at last: to the end unbowed, unrepentant, unforgivable. Truly, hell will find her a handful.

So did earth; perhaps the death of Richard Wagner's daughter-in-law will finally lift the curse from his house, but I doubt it. Whatever the words over the doorway at Wahnfried may say, its true motto is Macbeth's: What, will the line stretch out to the crack of doom?

But his *daughter-in-law*? How is it possible? Thus speak those who do not know that nothing about that family has ever been normal, or even probable. Winifred Wagner married the composer's only son, Siegfried, in 1915, when he was 46 and she not yet 18. She outlived him by only a few months short *of half a century,* and I'll wager the *Ring* itself that it was a matter of considerable satisfaction to her that she beat her mother-in-law's own almost incredible record: Cosima survived *her* husband by 47 years. These female Fafners, guarding the treasure with their longevity, their memories, their love and their hate, can give a Wagnerite nightmares; do we really have to buy the whole box when we want only the hard centres? Fortunately not; if we are not obliged to admire *Richard Wagner's* character in order to love his music, we are certainly under no compulsion to like his womenfolk.

Which is just as well, because if anybody is already thinking that I am being singularly ungallant this morning, I must ask them whether gallantry is really due to a woman who conveyed to her own daughter a threat that she would be "destroyed and exterminated" (*and,* you observe—the Wagners have never gone in for doing things by halves). That merry episode took place early in 1940 after dinner at the Veltliner Keller in Zürich (where I had an uncommonly good lunch with Müller a couple of years ago, on our way to Hohenems). Friedelind, the second child and elder daughter of Siegfried and Winifred, had left *Nazi* Germany for Switzerland; she went on to the United States and spent the war working for the Allies. Already she had been speaking out against the Nazis, and Hitler had sent *Winifred to persuade her* to see Nazi reason, or to bring her back, or to advise, warn or threaten her into silence.

I started to speak, but Mother had more to say.

"*And if these measures fail the order will be given: you will be destroyed and exterminated at the first opportunity. If you should actually dare to go into enemy territory, you know what that will mean...*"

Winifred had nailed her *colours early to Hitler's mast,* and—to do the dreadful creature a macabre kind of justice—she never struck them. Only a few years before her death, she gave a television interview in Germany in which she proudly proclaimed that her admiration and affection for the Führer were utterly undiminished.

That episode led to one of the strangest and most horrible consequences in all the madness-stained history of the Wagner family. Her son, Wolfgang, who with his brother Wieland had restarted the Bayreuth Festival in 1951 (and incidentally launched a theatrical revolution, in doing so, that was to transform ideas about staging throughout the world), forbade her to set foot in the *Festspielhaus* throughout the entire Bayreuth season—which, just to add to the drama, was the year in which the centenary of the first production of the *Ring* was being celebrated. (And there was an even weirder twist to this tangled *Norn*-rope: Winifred had actually owned the *Festpielhaus* from which she had been barred. The descent from Wagner to Cosima, from Cosima to Siegfried and from Siegfried to Winifred, was an assailable a fact, which itself led to a pretty impasse when, after the war, Winifred had been adjudged—rightly—a major Nazi collaborator, and deprived of the right to control or direct the Bayreuth Festival. Because the *Festspielhaus* had not been her Nazi loot, however, she could not have the ownership taken away from her; she broke the deadlock when she handed over all rights in the Festival to her sons, including as it turned out, the normal manager's right to exclude any undesirable patron. Even the family Wagner could hardly have envisaged in what circumstances, and against whom, the right was to be exercised.)

But Wolfgang had no choice. He and Wieland (who died in 1966), in reopening the Bayreuth Festival, had set their faces firmly and honourably against the past; Hitler was "Uncle Wolf" to them when they were children, but nobody has ever been able to suggest that either of them was indelibly tainted by *their* mother's satanic guest and hero. So there could be no place in the theatre of the new Bayreuth of the new Germany for one who boasted of her approval of Hitler, and Winifred stayed at home.

> There stood Winifred, her face a stone mask, beside her father-in-law's resting place. She stood, however, alone; son, daughter, grandchildren—not one would go near her...

Nor did even that exhaust the catalogue of flame-lit shadows cast across the story. Each year during the festival, there is a ceremony at Wagner's graveside, attended by all those of his descendants who are in Bayreuth on the day. In Mr John Culshaw's BBC television programme made for the *Ring* centenary, the scene was filmed, and there stood Winifred, erect, silent, unmoved, her face a stone mask beside her father-in-law's resting-place. She stood, however, alone; son, daughter, grandchildren—not one would go near her.

And now she is dead. There have been no reports so far of repentance *in articulo mortis*, and I shall not believe them when they start to circulate. One thing the Wagner women have never known is weakness; Winifred when she was alive knew of nothing to be ashamed of in admiring and following Hitler, and I have no reason to believe that she saw the point when she was dying, either. Indeed, I doubt if she has seen it even now, wherever she is.

She has most need of blessing, but amen sticks in my throat; and pity she would reject with contempt. Though I search my heart for a drop of charity towards her, I can find only Dogberry's words: "A... presently call the rest of the watch together, and thank God you are rid of a knave".

The threat hanging over small colleges

Proposed medical school mergers revive arguments over economies of scale for universities in general

Within a generation, if London University has its way, medical students will no longer attend Barts, or Guy's, or one of the other old-established medical colleges based on a former voluntary hospital: they will instead go to one of six new teaching conglomerates formed from the 34 undergraduate and post-graduate medical and dental institutions in London.

The proposals by Lord *Flowers's* Committee are intended to allow the university to train the same numbers of doctors with less money, but their implications extend to every form of higher education.

For the problem facing the universities is that the combination of economic recession and inflation is pushing them ever further into the red. Yet as unemployment in the EEC tops six million, school leavers are naturally anxious to acquire marketable skills, and applications for places at British universities so far this year are, at 160,678, up by eight per cent from 1978.

Around 12,000 applicants will be chasing 4,000 places in the medical schools. Though medical students make up less than five per cent of the total of new university students each year, they are disproportionately *expensive.* Their courses are longer, they require a lot of space and facilities, and traditionally they are taught in small groups—by doctors who are better paid than most university staff. Each year the proportion of London University's resources *swallowed up* by medicine has risen, and in 1978-9 it reached 36 per cent. That is the background against which Lord Flowers has proposed his economies, which mostly take the form of fusions and mergers, but in the case of the Westminster Medical School its closure.

Inevitably these proposals have revitalized arguments about the effects on university education of raising the size of the units in which students are taught. At every level of education large classes are seen as a threat to academic standards. Small colleges, very reasonably, fear that they will lose their identity if they are joined with others into massive conglomerates.

A second, and probably more important issue that should also be debated is how long Britain can continue to insist that all its universities must conform to the traditional model of research-based institutions whose staff teach as a sideline. Equally challengeable is the belief that every university, every college and every department should aspire to be a centre of academic excellence.

These heretical thoughts have come into circulation in response to financial pressures, but their more fundamental justification is the change that occurred in universities during their rapid expansion in the 1960s. Recently, Lord Todd, addressing the Royal Society, argued that some of the university staff appointed at that time were not of top calibre. Some lowering of standards must have occurred. It should, he said, no longer be an article of faith that all established academics were capable of first-class research; nor, just because students obtained first or upper-second-class honours degrees should they necessarily be encouraged to pursue research.

He went on to suggest that it may not be desirable for all universities to attempt both to sustain undergraduate teaching and to supervise programmes of postgraduate work. Might we not in Britain, said Lord Todd, follow the example of the United States where many distinguished universities have a reputation that rests substantially on the quality of their basic teaching?

If university education in Britain is not to be strangled by financial restraints in the coming decade, some radical restructuring will clearly be needed. The Flowers report provides one answer: amalgamation of small units into larger institutions with consequent economies of scale.

An alternative would be to encourage some universities (or some colleges or smaller units) to opt to concentrate on teaching while others continue to carry out research. Such a policy would not necessarily lead to institutions becoming divided into first and second divisions—and it might in fact raise standards. One of the recurrent *criticisms of university* appointments boards is that they are obsessed with candidates' research potential and pay little if any attention to their interest in teaching—or their abilities as teachers.

Students surely deserve that at least some of their lecturers should have been appointed on their competence as teachers. As it is, at the moment, too much teaching is done (reluctantly) by staff whose interest is in their research—and a lot of *second-rate research is done by* staff whose interest lies simply in advancing their careers.

Dr Tony Smith
Medical Correspondent

LONDON DIARY

The baroness has more to tell...

Baroness Lee of Asheridge, at 75 still best known as Jennie Lee, is writing a two-volume autobiography. Volume I, due in November from Jonathan Cape, covers the period up to the death of her husband Nye Bevan in 1960. Volume II, on which she is now very busy at her London home, takes in her pioneering days as the first minister with special responsibility for the arts, up to the present.

Although Michael Foot did what she calls a "very splendid official biography" of Bevan, she feels there is a lot more to tell. "I'm giving a portrait of Nye, both the private and the public man", she told me, "and I'm trying to end some of the vicious nonsense talked about him in his lifetime. But it's not a whitewash job."

There is a possibility, or danger (according to taste) that Labour politics and the Gaitskell-Bevan clashes of the 1950s will become *as relentlessly well* chronicled as the goings-on of the Bloomsbury group. Impending just from the same publishers are: the crossbench diaries of Richard Crossman, published jointly with Hamish Hamilton in October; Hugh Gaitskell's own diaries, edited by his recent biographer Philip Williams, next year; and Hugh Dalton's diaries, edited by Ben Pimlott, in 1982.

According to a Hungarian diplomat friend, optimists in Budapest are defined as well-informed pessimists.

Quiet American

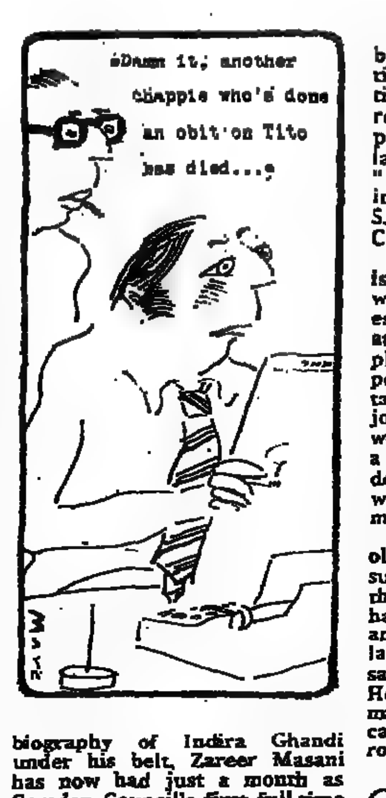
Who is the American ambassador in London? Not a very large number of averagely well-informed people could, I suspect, confidently answer: Mr Kingman Brewster. The former president of Yale University has achieved a fairly high degree of invisibility compared with his predecessors since arriving here to a quietly good press just over two years ago.

This is not necessarily a bad thing, and the comparison is in some ways unfair. President Nixon's envoy Walter Annenberg, once nicely described as being "richly absurd as well as absurdly rich", achieved notoriety by making gaffes. Mr Elliott Richardson arrived as a sort of white knight of Watergate, having resigned as Attorney General after refusing Nixon's order to sack the special Watergate prosecutor Archibald Cox. As for Mrs Anne Armstrong, she was not only female, very bright and pretty and a friend of President Ford, but was here in bicentenary year.

Mr Brewster has already been in London longer than his two predecessors put together, which must be cause for relief at the embassy in Grosvenor Square. He has, by all accounts, been methodically getting to know leading people in the worlds of politics, business, trade unions, and the professions, and travelling to all parts of the United Kingdom.

He is a good friend of President Carter's Secretary of State Cyrus Vance, has an understated, self-deprecating humour, and is a good public speaker (compare Elliott Richardson's heavily sedative impact). He is said to be effective where it matters. No doubt one should not, as Flaubert said, look for oranges on apple trees, but would not a touch of heart-warming panache from the envoy of our friendly super-*power occasionally be in order?*

The intelligence and presence of Robert Mugabe, now massively mandated as the leader of independent Zimbabwe, made a considerable impact on diplomatic correspondents at the Geneva conference on Rhodesia's future which Anthony Crosland, then Foreign Secretary, initiated in late 1976. My colleague David Spanier was present then when a German television team were about to interview Mr Mugabe, and asked him to say something for voice level purposes. Mr Mugabe paused a moment, then said: "The Germans are a very warlike people". The loaded nature of this one-sentence history lesson appeared to be wholly lost on the Germans. But how brilliantly it put the tragedies of Africa into perspective!



Racial truths

With history degrees from Bombay and Oxford universities, a doctorate from St Antony's, Oxford, some journalism and a biography of Indira Ghandi under his belt, Zareer Masani has now had just a month as Camden Council's first full-time organizer an anti-racist campaigning.

On a semantic note, he sees "racism" as something overt, and "racialism" as something more latent or abstract. The Camden Committee for Community Relations is, he says, the largest such council in the country, employing 45 people, half on specific projects like five day-nurseries, and one play group, youth club and job training scheme.

According to various criteria based on housing and educational facilities, job opportunities and so on, there are reckoned to be some 20,000 people among Camden's population of 200,000 experiencing "*serious racial disadvantages*", including roughly 4,500 Asians, 5,000 Afro-Caribbeans, 2,850 Cypriots and 1,500 Chinese.

Part of his job, as he sees it, is to tackle racial prejudice where it is strongest, on council estates, at the work place, and at schools. A lot has to be explained to *prejudiced white* people: that "blacks" are not taking their housing and their jobs, and are indeed in a much worse situation. Yet have made a positive contribution not just doing the dirty jobs no one else wants, but also in a field like medicine.

He traces much racialism to old empire ideas of racial superiority. "You could say that part of the British empire has been imported into Britain and is being used—as cheap labour—and viewed in much the same way as before", he said. He feared public spending cuts might increase the tendency to cast ethnic minorities in the role of scapegoat.

Cock and bull

It is now some 11 years since I left the helm of *The Times* Diary, and I had forgotten what a load of pretentious old rubbish some public relations people spew forth. Last Friday, for example, one was invited to the unveiling of The Leaping Salmon, a sculpture in a "limited edition" of 55 silver replicas by David Wynne, described—wholly ludicrously—as "now widely acknowledged to be the leading representational sculptor of his generation".

The sculpture, said the handout from Nybala Publishing Co Ltd, "is of a very large cock fish lying deep, with a hen above, and a younger cock leaping away". Like much bad *journalism, this leaves many* questions unanswered. Why is the large cock lying deep *beneath* the hen? Why is the young cock leaping (guiltily?) away?

To add to our bafflement, we are further informed that "The cocks are in their spawning livery with the characteristic hooked jaw". The piscine equivalent of a determined look, perhaps? Each cast made under nothing less than Mr Wynne's direct supervision retails at £2,500, plus VAT.

Acre money

Salaries in the pistachio rather than peanut class are, I gather, to be dangled for the daunting task of being chief executive of the two urban development corporations charged with regenerating the derelict areas of London's Docklands and Merseyside.

Docklands will offer upwards of £25,000 for grappling with the 5,000 acres and five local authorities on both sides of the Thames. The 1,000 acres of Merseyside will rate about £20,000. The Department of the Environment has a mind as open as the vast tracts involved about the qualifications required. Suitable applicants could come from local government, elsewhere in the public sector, or from the private sector.

Roger Berthoud

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ɜUROPE AND THE PALESTINIANS

.hen visiting Kuwait last week, ·esident Giscard d'Estaing ex- ·essed his "conviction that the ·lestinian problem is not a ·fugee problem, but that of a ·ople which must enjoy, on ·ese bases and in the framework ·a just and lasting peace, its ·ht to self-determination". The ·ses in question include the ·thdrawal of Israel from the ·ab territories occupied in 1967 ·d "the well-known positions" ·France and Kuwait on the ·iddle East question. Among the ·ll-known positions of France ·the issue, correspondents were ·minded by M Giscard ·Estaing's spokesman, is the ·cognition of the existence of all ·ates in the Middle East within ·ble, recognized and guaran- ·ed frontiers.

On Saturday night, in Amman, ·Giscard d'Estaing spelt out his ·eas on the subject at a banquet ·ven in his honour by King ·usain, and added that "all the ·rties must be associated with ·e negotiations, and notably the ·lestinian people—which im- ·ies the participation of the ·lestine Liberation Organiza- ·on".

These remarks have been pre- ·nted, whether for better or ·orse, as marking a dramatic ·ep forward in European atti- ·des to the Palestinian problem. ·fact they do no such thing.

As long ago as January 1976 ·ance voted for a draft resolu- ·n in the Security Council ·hich affirmed "that the Pales- ·ian people should be enabled ·exercise its inalienable right ·self-determination, including ·e right to establish an inde- ·ndent state in Palestine . . .". ·he resolution was vetoed by the United States. Britain and Italy abstained.)

In June 1977 the heads of government of the European Community issued a declaration recognizing the Palestinians' "need for a homeland" and their right "to give effective expression to their national identity". The word "self-determination" has been used by the West German and Italian governments in statements about the problem for some years now. Chancellor Schmidt has explained, in reply to protests from Israel, that the concept of self-determination is very important to Germans, as the basis of their hopes for an eventual peaceful reunification of their country. They cannot deny to Palestinians what they claim for themselves.

In the United Nations General Assembly last September Mr Michael O'Kennedy, speaking on behalf of the Nine, demanded respect for the right of the Palestinian people "through its representatives to play its full part in the negotiation of a comprehensive settlement". Security Council resolutions 242 and 338, he added, should be "accepted by all those involved—including the Palestine Liberation Organization—as the basis for negotiation". The Palestinian people were "entitled within the framework set by a peace settlement, to exercise their right to determine their own future as a people".

In the same debate Lord Carrington said that Resolution 242 was incomplete because it took "no account of the legitimate political rights of the Palestinians which go well beyond their status as refugees" or of their "belief that they are a separate people with a right to their homeland". On this point, he said, Resolution 242 should be "supplemented".

At the end of January Mr Douglas Hurd, Minister of State at the Foreign Office, told the Middle East Association, "no one should doubt that the PLO will have to be involved in the peace process". And on February 10 the Irish foreign minister, Mr Brian Lenihan, agreed a joint communiqué with his colleague in Bahrain, according to which the Palestinians "had the right to self-determination and to the establishment of an independent state in Palestine within the framework of Security Council Resolutions 242 and 338". The PLO, Mr Lenihan said, "should play a full role in the negotiations for a comprehensive peace settlement", and "Ireland recognizes the role of the PLO in representing the Palestinian people".

If anybody is out in front, therefore, in this curious tortoise race towards recognition of the PLO, it is the Irish Republic. The main difference between the French statements and those of the British government is that the British usually spell out what is required of the Palestinians on their side, whereas the French prefer to leave that implicit. Thus Mrs Thatcher, in her interview with French television last night, said, quite accurately, that M Giscard d'Estaing's remarks about self-determination reflected the common European position, and went on to say "but the quid pro quo must be that the PLO and the Palestinian people recognize Israel's right to exist within secure borders, and the real difficulty has been to try and get these things to happen together".

As M Giscard d'Estaing might put it, *on ne saurait mieux dire.*

ISHERMEN LOOKING FOR FRIENDS

·has been a disastrous decade ·the fishing industry. First ·itain's distant-water fishing ·et was beaten out of Icelandic ·ters by that country's unlawful ·tension of its territorial sea ·d the superior seamanship of ·fishery protection vessels, ·d by this country's character- ·ically bad conscience about ap- ·aring in the eyes of others as ·bully. Then just as Icelandic ·d other distant waters became ·sed to us by de facto ·ernational recognition of two ·ndred mile limits for the ·astal state's right to economic ·ploitation of its waters, Britain ·d lost the right to secure that ·erest for itself by its acces- ·n to the Treaty of Rome. The ·mmon fisheries policy of the ·ropean Economic Community ·s concluded on the eve of ·itish accession in a form which ·s conspicuously detrimental ·British interests. The pro- ·ged attempt to adapt that ·licy to take account simultane- ·sly of the new 200-mile limits ·d of the interest the new mem- ·rs Britain and Ireland is still ·the toils of Community wrangling, and until it comes out of them (no easy prospect) the livelihoods of British fishermen suffer. Meanwhile the North Sea and North Atlantic fishing grounds have been without adequate measures of conservation control: they have been grossly over-fished by all comers to the virtual extinction of some species and the serious depletion of others.

It is a sorry story of the failure by successive governments to safeguard a clear and important national interest, in admittedly difficult circumstances. The trawler fleet has shrunk from 450 to 150 in five years and half of those are laid up. The Hull Fishing Vessel Owners' Association has gone into liquidation and the great fish wharves of that city are deserted: most of the fish that is sold in the market there arrives by roll-on roll-off containers from continental ports. Aberdeen would be no better off if it were not for oil. Inshore fishermen have not suffered in quite the same way. But all alike are finding that with the catches they do land they are undercut in the home market by cheaper imports. The general plight of the industry is described in an article by our Northern Industrial Correspondent on page seventeen.

It is against the grain of this Government's industrial policy to come to the fishermen's rescue with subsidies. But there have been broad hints that they are on the way. Ministers have spoken of "achieving more orderly marketing of imports", a euphemism for intervention in the market, and of "urgently considering requests for financial help" by the industry. They still talk as if all will come right once a satisfactory Community fisheries policy is hammered out—though the chances of that happening are not improved as fishing, in spite of government denials, is becoming sucked into multiple negotiations concerning Britain's budgetary contribution. But even if we do get our fair share of a properly supervised Community catch, we will not have the wherewithal to get it out of the sea unless something is done for the industry in the meantime.

HE SPANISH REGIONS

·nday's election in the three ·sque provinces marked one ·re step in the Spanish govern- ·ent's policy of granting a ·gree of autonomy to regions ·ich have a strong sense of ·entity. The next step is the ·mation of a Basque regional ·vernment which will negotiate ·e details of an autonomy status ·already agreed in outline— ·th Madrid. But the success of ·e nationalist parties is a sharp ·minder to the government of ·ñor Adolfo Suarez of the ·tent to which the situation in ·e Basque provinces has ·teriorated, and the difficulties ·at this may cause. The main ·ctor, the Basque Nationalist ·rty (PNV), is a moderate ·oup which is anxious to nego- ·te an acceptable form of ·tonomy and end the violence ·ich continues to plague the ·gion. It won twenty-five of the ·ty seats up for election and is ·ely to form the regional gov- ·nment, possibly on its own.

But Herri Batasuna, which has ·ks with the more violent, ·ilitary" wing of the ETA ·rorist organization and which ·vocates Basque independence, ·n eleven seats, taking second ·ace away from the Socialist ·rty; and Euskadiko Eskerra, ·ich is associated with ETA's ·political-military" wing and ·o wants independence, won six. So as it negotiates with Madrid on the details of Basque autonomy, the PNV is bound to be aware of pressure from the two radical groups if it is seen not to be assertive enough.

On his side too, Señor Suarez is under pressure not to give much ground. The fact that his own party, the Union of the Democratic Centre (UCD), did so badly, winning only six seats, is not so serious for him provided that he can reach an agreement with the PNV. The difficulty is the much broader one that there is increasing discontent on the right, in the army and elsewhere, with the course that his policy of regional autonomy is taking. Regionalism has always been an issue in Spain; local communities have clung to their powers since the Middle Ages, and have resisted pressures to centralize from Madrid. The autonomous powers granted to the Basque country and Catalonia were one of the main reasons why Franco rose against the Republic and started the Spanish Civil War. It is now being felt, not just that Señor Suarez is giving away too much to too many regions, but that the new autonomous governments may be altogether too left-wing.

This was the reason for the abrupt decision in January to change the process by which Andalusia was to move towards autonomy. Andalusia was put into a different category from the three regions which have tradionally had claims to autonomy, the Basque country, Catalonia and Galicia, and the process was made much more dificult. Not only did there have to be a referendum before negotiations could even begin, but there had to be a majority of the rekistered electorate in every province which approved the opening of negotiations. Not surprisingly, there was not such a majority in every province when the vote was held last month, though there was a clear majority overal, and that meant that Andalusia's progress towards autonomy was blocked.

The government's change of policy, heavy-handed as it was, has caused a great deal of bitterness in Andalusia, but also in other regions, including the Basque country. In the Basque country the stakes are particularly high. There is the issue of replacing the para-military police by Basque police, the question whether Navarre, with its large Basque population, should be treated as part of the Basque region, and the demand made by Herri Batasuna for the release of people they regard as political prisoners. Señor Suarez will need to recover his sureness of touch.

·ocial Security frauds

·om the Director of the Child ·verty Action Group

·, I do not wish to enter into a ·bate with the Minister for Social ·curity about the level of social ·curity abuse for, as Pat Healy ·served and he himself admits, no ·e knows exactly how much money ·involved. But I must challenge ·assertion (March 1) that as a ·sult of his crackdown on social ·curity "scroungers", "genuine ·imants will be much more ready ·take up their rights".

Immediately following the press ·blicity around the minister's ·tement on employing more fraud ·vestigators, I received a letter ·m a separated woman with sole ·e of her mentally handicapped ·ld. She did not like living on ·ial security and wrote, "I am ·w more worried than ever, as I ·ll probably be considered as one of the scroungers by the 1,000 new investigators employed by the DHSS". This is typical of the kind of letter we receive at the Child Poverty Action Group whenever there is an outburst about social security "scroungers". As Mr Prentice himself argued some years ago, "the myth about widespread abuse" helps "to create among some people—I have met them in my advice bureau, and other hon Members will have the same experience—the sense that there is something shameful about applying for benefits to which they are entitled".

It tends to be forgotten that the last Government had already intensified the efforts made to detect social security fraud. There is a limit to which you can "crack down" without having a profound effect on the atmosphere in which social security is administered. The more that social security officers are told to give priority to detecting possible fraud, the more likely it is that they will treat all claimants as possible defrauders of the system. This is not exactly conducive to encouraging people to claim their rights.

No one would want to condone fraud of any kind. But the reaction to Mr Prentice's statement would have been considerably less hostile had he announced similar measures to encourage the million odd people who fail to claim the supplementary benefit to which they are entitled to come forward, and had his colleagues at the Treasury shown the same concern about the much larger amount of public money lost through tax fraud.

Yours sincerely,
RUTH LISTER,
Director,
Child Poverty Action Group,
1 Macklin Street, WC2.
March 3.

LETTERS TO THE EDITOR

A lonely victim of Everest

From Dr Charles Warren

Sir, With reference to Mrs Audrey Salkeld's letter in your issue of March 6 under the heading "Victims of Everest", perhaps I might add a few personally observed details.

When I was with the late Eric Shipton on his Reconnaissance Expedition to Mount Everest in 1935, I found the body of Maurice Wilson, the man who thought he could climb the mountain alone and who perished in the attempt.

Wilson was found lying curled up on his left side, in the open, on the gently sloping moraine of the East Rongbuk glacier near the site of camp 3 at an altitude of 21,000 ft. He was dressed in thin grey flannel trousers, brief underpants, a shirt and light Fairisle pullover. He had on thin socks and his boots were off and lay near him. His tent had blown down and its remnants lay a yard or two away from him down the moraine slope.

Having recovered his diary, which is now in the archives of the Alpine Club, we then wrapped his body up in the remnants of his green tent and consigned it to the depths of a crevasse on the East Rongbuk glacier.

The body was in a good state of preservation, as might be expected, except for the face from which most of the flesh was missing. A colony of choughs inhabited the cliffs of the Changtse (North Peak) when we were there in 1935 and so perhaps the presence of carrion would account for that. And perhaps Bernard Levin may be wrong when he states (March 6) that the bodies of Mallory and Irvine are truly in a place where "moth and rust do not corrupt". Perhaps an ornithologist can tell us what is the greatest altitude at which a bird has been seen?

Personally I have little doubt that the body the Chinese climbers found in 1960 was that of Wilson which had been extruded from the crevasse in which we had tried to bury him in 1935.

But Sir, finally, I do hope that Bernard Levin is right and that at the height at which Mallory and Irvine perished it is true that "moth and rust do not corrupt", and Sir, that no "thieves break through and steal". As an old Everester I would agree with Bernard Levin—R.I.P.

CHARLES WARREN,
Buck Croft,
Felstead,
Essex.
March 7.

Getting into a bind

From Mr P. D. Stobart

Sir, Mr Gee's letter (March 7) expects your readers to be delighted by the disappearance of red tape from the arsenal of our bureaucracy.

Surely a more thoughtful reaction should be "The more's the pity!" Red tape served the purpose of binding together in one bundle all the files which had a bearing upon the subject under consideration. They were carefully flagged (pins being inserted, according to instructions, from top right to bottom left with the point buried) to draw attention to the relevant papers only.

I have worked in both the public and the private sector and my experience has been that a system which brings together so admirably all the relevant information is far less likely to lead to half-baked decisions than one based upon see-through plastic wallets which may or may not contain all the facts which the decision-maker needs.

Whitehall still binds its files together, but with a variety of unsuitable substitutes for red tape, such as string from the shopping, rubber bands or, worst of all, white webbing straps which soon get grubby and in any case, look as if they belong to the realm of orthopaedic corsetry rather than to that of rational administration.

Yours faithfully,
PATRICK STOBART,
44b Manor View,
Finchley, N3.
March 7.

The waiting game

From Dr Edward de Bono

Sir, If each American hostage in Tehran was to be compensated at the rate of $1,000 a day, the total cost so far would amount to about a quarter of the cost of a single F-18 fighter—or about 10 minutes of a military action. As each hostage went to bed at night consciously richer his anguish would be partly relieved. This would make visible patience as an option for the United States Government since it would no longer be so hard on the hostages.

Once patience is established as an option there is less and less point in holding the hostages as unwilling guests of the revolution and some deal can be arranged (for example inviting 100 of the student captors to the United States for the media visibility they crave). Freedom is, of course, worth much more than $1,000 a day but such a sum would make lack of freedom rather more tolerable.

Yours sincerely,
EDWARD DE BONO,
Centre for the Study of Thinking,
11 Warkworth Street,
Cambridge.

Stand-up comic

From the Dean of Lincoln

Sir, Lord Greenhill (March 7) might care to study the Lincoln bollards.

Here, the juggernauts which thunder past 10 metres from the Cathedral meet a bollard mounted on sprung hinges. When struck it inclines briskly across the pavement and rebounds, whether off the thigh of a pedestrian or not, into position.

Thus bollard and juggernaut are protected from injury and pedestrians can practise agility.

Yours sincerely,
OLIVER FIENNES,
The Deanery,
Lincoln.
March 7.

Plans for the welfare of the world

From Lady Jackson of Lodsworth and Mr Robert Wood

Sir, Since the Report of the Brandt Commission on the state of the world economy will become available to the general public this week, may we first of all congratulate you on your efforts to inform public opinion by your admirable preliminary coverage? This has included not only your own sound and comprehensive articles but also the extensive (and very largely favourable) comment you have received from many correspondents and commentators—including, notably, Dame Judith Hart and Mr Edward Heath. Few, if any, of the letters contradicted the fundamental point which you so clearly underlined—that a stagnant North and an impoverished South in our planet could, given a rational economic strategy, alleviate each other's problems, with Northern assistance in the development of the South becoming, as was the Marshall Plan for a ruined post-war Europe, an engine of growth from which both donors and recipients would gain benefits.

Nor was there much quarrel in letters and articles with the four emergency policies the Brandt Commission proposes to national governments for immediate action: a large-scale transfer of resources to developing countries, including an increase in aid to 0.7 per cent of Gross National Product by 1985; the development, with the cooperation of oil producers and consumers alike, of an international strategy for energy; a global food programme to raise yields and conserve land; and lastly some institutional reforms in the world economy, notably the introduction of measures of international taxation.

The virtual unanimity of acceptance of the Commission's Report elaborated in The Times has been remarkable. But none of the proposed changes can take place without the action of national governments and they tend to be more concerned with their own immediate problems, manoeuvres and power struggles than with the survival of a functioning international economy. Yet the connexion between national and international action may—fatally as in the 1929 world depression, beneficently as in 1947 and the Marshall Plan—be absolutely inescapable. Despite this, it tends not to be any government's highest priority.

Perhaps therefore the most important consequence following the general publication of the Brandt Commission's Report is that an increasing number of citizens will convince their elected representatives that votes are at stake in the government's readiness to make the world economic crisis an urgent matter of domestic politics. Nowhere is this need greater than in Britain where the Government has declared its intention to cut aid, and there are growing pressures to check the inflow of "cheap" manufactured imports, many of which come from the South, and whose earnings are needed to buy from us and to service their debts. Such reactions reflect the politics of 1929 and are likely to have the same disastrous consequences.

BARBARA WARD,
International Institute for Environment and Development,
ROBERT WOOD,
Overseas Development Institute,
10-11 Percy Street, W1.
March 4.

Soviet aims in Africa

From Mr Patrick Wall, MP for Haltemprice (Conservative)

Sir, Mr Mugabe is no communist, though he supports a Marxist economic philosophy. However, the pressure on him to Africanise all levels of the defence forces, civil service, judiciary, etc. will be overwhelming. Should, as seems likely, the standards of justice, local government and commercial practice decline, then the gradual white exodus will continue.

Once again, the USSR will have harnessed genuine African nationalism to its long-term requirements namely, the elimination of Western influence in Southern Africa and a final confrontation with South Africa.

Can anyone doubt that if Zimbabwe should turn Marxist, South Africa would not agree to UN supervised elections in Namibia and thus run the risk of UN economic sanctions. In consequence, Prime Minister Botha's startling reforms in South Africa itself would then have to be curtailed.

The key issue today is the Battle for Resources and the Soviet are already well placed to control the two vital areas: the Middle East for its oil and Southern Africa for its minerals. In the days of my youth Captain Liddell Hart propounded the strategy of indirect approach, which is said to have considerably interested Herr Hitler.

Today the Soviet Union are using the same strategy by a clever use of Cubans, East Germans, etc. in Africa and in Central America they have, or are about to, secure key areas on the world's trade routes. The next step will not be achieved by invasion, as in Afghanistan, but by increasing local tensions and by the use of national forces, such as the Tudeh Party in Iran and ANC/PAC in South Africa.

Unless the West calls a halt to this strategy of indirect approach, it will be too late and we will face World War III deprived of key raw materials.

Yours faithfully,
PATRICK WALL,
House of Commons.
March 6.

From Mr H. D. Hughes

Sir, "The Russians . . . and their allies . . . will offer . . . scholarships" (leading article, March 6).

What will be the British Government's response — discriminatory fees, now being fixed at a level which is crippling those few trusts and voluntary bodies which have sought to bring overseas students to study here? No marks for that!

Yours faithfully,
H. D. HUGHES,
Crossways,
Mill Street,
Islip, Oxford.

The homely touch

From Mr Raymond T. Clarke and Mr Malcolm L. Johnson

Sir, Geoffrey Smith's article (February 29) reasserts the claim now gaining currency that the Government has an economic policy but no social policy, and he suggests the need for a coordinating minister to bring coherence to policy on social matters.

There is no overall social policy; only departmental policies reflecting economic requirements. For example, Mr Patrick Jenkin at the DHSS has said on many occasions that the first priority is to get the economy right and, in the meantime, many things he would like to do will remain beyond reach. On the same theme Mr Reg Prentice has made it clear that old, disabled and poor people will be expected to take their share of the hardships. Yet the Home Secretary has been able to increase expenditure on law and order. Whilst these messages are unequivocal they cannot be said to constitute parts of a coherent, agreed social policy.

Among the separate policy decisions currently being taken are those affecting unemployment, law and order, housing, youth service, education of children with handicaps, transport, social security and, presumably in the Budget, child benefits.

Some medium is urgently required which will provide an overview of social policy, coherent in itself yet related to economic strategy. As a preliminary step, the designation of a minister with overall responsibility for social policy is worth considering, but the Department of Health and Social Security could be a more appropriate base than Geoffrey Smith's suggestion of the Home Office.

It is essential to raise the level of consciousness about competing objectives within social policy, a task which governments cannot do alone. This Council was established by Sir Keith Joseph in 1973 with special responsibilities for handicap, the family and community care. It has worked to improve public awareness in its own central field of social policy which is now most vulnerable to decisions taken on economic grounds. We would not wish to over-emphasize our contribution but it is ironic that, at this very stage, our work is to terminate at the end of March as victim of the Quango campaign and economies in the public sector.

Yours faithfully,
RAYMOND T. CLARKE,
Secretary and Chief Officer,
MALCOLM L. JOHNSON,
Secretary (Policy and Research),
Personal Social Services Council,
Brook House,
2-16 Torrington Place, WC1.

Where BBC cuts should fall

From Mr Michael Grade

Sir, Is it possible that the BBC have overlooked one area where cuts would in fact be welcomed, namely sport? Independent Television has long campaigned for a policy of alternation with the BBC on the coverage of major international sporting events; indeed, the first steps along this (for the BBC) radical road have already been taken. Agreement on a degree of mutual avoidance exists for the Olympic Games and on other events previously duplicated in their entirety by the two broadcasting organisations. This agreement will go some way towards relieving the viewers' exasperation with the more or less identical saturation coverage of certain major sporting events which regularly occurs on both popular channels.

What this new agreement does not relieve is the wasteful drain on financial resources. Now, surely, is the time for the BBC seriously to consider embracing a policy of alternation with Independent Television, event by event. Over the next 12 years, the predictable international sporting calendar includes: four summer Olympics, four Winter Olympics, three World Cup soccer tournaments, four European Nation Cup Finals, 15 major international athletics championships, 12 European and 12 world skating championships, six European and six world gymnastic championships, and three world swimming championships. And at home there are the annual British international football championships, the FA Cup Final and other major sporting events such as Wimbledon, the Grand National and the Derby.

The total cost to both services of covering these events under the present policy and at today's prices is approximately £80 million. An agreement to alternate them equitably on a turn and turn about basis would save the BBC many millions of pounds, and that is not allowing for inflation. Viewers might regard this as a higher priority than cuts affecting the quantity and quality of musical and regional programmes. Certainly, one final and long overdue agreement on the alternation of the coverage of major international sporting events would be greeted by them with a sigh of relief.

Yours faithfully,
MICHAEL GRADE,
Director of Programmes,
London Weekend Television,
South Bank Television Centre,
Kent House,
Upper Ground, SE1.

From Lady Barbirolli

Sir, I am appalled that the BBC contemplates committing infanticide.

The BBC Scottish Symphony Orchestra was formed, and has been nurtured, by the BBC. It is now a well knit body of fine musicians: an orchestra of distinction.

In the animal kingdom (and even in Sparta many years ago) weaklings are killed, or allowed to die.

The Scottish Symphony Orchestra is certainly no weakling. Its proposed death is unfair and musically horrifying.

Yours truly,
EVELYN BARBIROLLI,
28 Ivor Place, NW1.

A long way back in Tipperary

From Dr R. L. S. Bruce-Mitford, FBA

Sir, Everyone interested in Irish art and culture, and that of the northern parts of the British Isles, in its great pre-Viking Christian phase, will be excited by the new discovery in the Tipperary bog reported in your issue of March 7. The accounts and pictures so far available certainly suggest that the chalice, though taller, more conical and less full-bodied than the Ardagh chalice, must be from the self-same workshop, or one closely related and of equal stature.

Particular satisfaction will be felt in academic circles in the knowledge that the objects will be coming to the British Museum where the unrivalled experience and skills of the Museum's Research Laboratory and Department of Conservation will ensure the maximum recovery of information, and the minimum of loss, that it is possible to achieve today.

These new circumstances remind us, however, that in the early 1960s, at my initiative and with the strong support of Dr Joseph Raftery, the Keeper of Irish Antiquities, the Ardagh Chalice and its equally famous contemporary masterpiece, the Tara Brooch, then both in some considerable degree obscured by dirt and corrosion, and in need of expert cleaning, came in their turn to the British Museum Research Laboratory where, over a period of several months, they were totally dismantled, constructional details for the first time established, and comprehensive technical and analytical studies carried out, accompanied by the most detailed brilliant photographic and other records.

The Irish National Museum sent over also one of their archaeological staff to make detailed notes, over a six-week period or longer. Although several splendid colour photographs and one or two details of the brooch and chalice, in their freshly cleaned state, have since appeared, the expected new monographs from Dublin, setting out this mass of new and important information (provided by the BM Trustees of course, without cost to the Irish authorities), have still to appear. Only an important but obscure paper by R. M. Organ (who did much of the work) on the construction of the chalice has appeared, in 1970, in the proceedings of a Canadian conference on the application of conservation techniques to works of art.

I am sure that the new Director of the National Museum of Ireland, Mr Brendan O'Riordain, will have this matter very much in mind, but the Tipperary discovery makes all the more urgent the full publication of the mass of important and authoritative work done in the BM in the early 1960s on the Ardagh Chalice and the Tara Brooch, and it is to be hoped that this new, intimately related and immensely important Irish find will result in the provision by the Irish Government of what money and staff time may still be needed for the rapid completion of the publication of the fresh insights, knowledge and data now available to us, and long awaited in academic circles, for the Ardagh Chalice and the Tara Brooch.

These metalwork masterpieces with the inclusion of the new finds, are after all an essential part of the background, context and perhaps succession, of that world-famous, unique decorated Gospel-book in Trinity College, Dublin: the Book of Kells.

Yours sincerely,
RUPERT BRUCE-MITFORD,
Middlesex Hospital,
Mortimer Street, W1.
March 7.

In the dark

From Miss J. M. Pick

Sir, In answer to your correspondent Mr Richardson (March 8), who wonders why we should have to wait until almost the spring equinox to change to British Summer Time when we remain with BST until well after the equinox in autumn: the darkest mornings do not coincide with the winter solstice, but occur in the last week of December and the first week of January.

As for the energy-saving potential of darker mornings and lighter evenings: I personally need better light to tackle The Times the moment it arrives than I do to listen to the news and The Archers in the early evening.

Yours faithfully,
J. M. PICK,
23 Maybourne Grange,
Turnpike Link,
Croydon
March 8.

Pulling out all the stops

From the Dean of Chichester

Sir, The Rev Nicholas Thistlethwaite (February 27) need have no fears. It is indeed our intention at Chichester carefully to restore the cathedral organ, and not to enlarge or alter it. We look forward to vigorous support from Mr Thistlethwaite and his friends in our efforts to secure the necessary funds.

Yours faithfully,
ROBERT HOLTBY,
The Deanery,
Chichester,
Sussex.
March 5.

Hand to hand

From the Very Rev and Mrs A. W. Webster

Sir, May we join in the Bernard Levin parlour game following "Deanery" suit after the card played by Mr Beverley Nichols (March 8)?

A small Cumberland chair reminds us of a grandfather who sat in that chair to hear from his grandmother that she had sat in it to watch Prince Charles ride through Penrith in 1745.

Yours faithfully,
ALAN and MARGARET WEBSTER,
The Deanery,
9 Amen Court,
London, EC4.

COURT CIRCULAR

BUCKINGHAM PALACE

March 10: The Queen and The Duke of Edinburgh this afternoon attended the Commonwealth Day Observance Service in Westminster Abbey and were received upon arrival by the Dean of Westminster and the Chairman, Joint Commonwealth Societies' Council (Sir Hugh Springer).

Her Majesty and His Royal Highness were later present at a Reception given by the Commonwealth Secretary-General (His Excellency Mr Shridath Ramphal) at Marlborough House.

The Countess of Airlie, Mr Robert Fellowes and Lieutenant-Colonel Blair Stewart-Wilson were in attendance.

Today is the Anniversary of the Birthday of The Prince Edward.

Birthdays today

The Right Rev J. R. G. Eastaugh, 60; Mr David Gentleman, 50; Professor T. C. Gray, 67; Miss Margaret Herbison, 73; General Sir Peter Hunt, 64; Sir Charles Johnston, 68; Sir Fitzroy Maclean, 69; Sir Henry Marking, 60; Miss Jessie Matthews, 73; Judge Miskin, QC, 55; Sir Ronald Syme, OM, 77; Sir Harold Wilson, MP, 64; Sir John Wise, 90.

Today's engagements

The Queen holds investiture, Buckingham Palace, 11.

The Duke of Edinburgh, as honorary member, opens conference on the Arctic Ocean, Royal Geographical Society, 9.20; as president of Central Council of Physical Recreation, opens British Sports Exhibition, Stock Exchange, 12.45; attends dinner in aid of Royal Free Hospital and School of Medicine Appeal Trust, Savoy Hotel, 8.

The Prince of Wales visits Cabinet Office, Whitehall, 10; as president, attends reception for Mary Rose Trust, St James's Palace, 6.25.

Exhibition: The Vikings, British Museum, 10-5.

Lectures: Man the toolmaker, British Museum (Natural History), 3; Malinowski memorial, London School of Economics, 5; Artists and craftsmen of the Viking Age, James Graham-Campbell, British Museum, 6.15; Conservation in limestone villages, D. Holland, Orchard First School, Sprotbrough, Doncaster, 7.30.

Talks: The power of Egyptian queens, George Hart, 11.30; Esna, 1.15, British Museum; "Is there an Italian architecture today?" Professor Francesco Gnecchi Ruscone, Royal Institute of British Architects, 66 Portland Place, 6.15; Identifying lace, Miss Naomi Tarrant of the Royal Scottish Museum, Commonwealth Institute, 7.45.

Concerts: J. S. Bach: four organ recitals, Queen's Chapel of the Savoy, Savoy Hill, Strand, 6; *Vangelis*, *Colston Hall, Bristol*, 7.30.

Walks: Historic charm of Mayfair and St James's, meet Green Park station, 10.30.

Forthcoming marriages

Lieutenant-Colonel R. M. FitzHugh and Mrs E. Wodehouse

The marriage has been arranged, and will take place quietly in June, between Robert Michael FitzHugh, of the Brow, Overton, Wrexham, and Persis Wodehouse, of Pen-y-Glyn, Overton, Wrexham, widow of Brigadier Edmond Wodehouse.

Mr R. B. Law and Miss S. D. Knapp

The engagement is announced between Roy Boumphrey, only son of the late Roy Law, of London, and Mrs Dorothy Law, of Farnborough, Hampshire, and Stephanie Dorothea, only daughter of Mr Stefan Knapp, of Witley, Surrey, and Mrs Sheila Knapp, of London.

Mr J. O. J. Mathias and Miss J. L. Farrant

The engagement is announced between Jeremy, son of Major and Mrs C. G. J. Mathias, of Black Lake, Tilford, and Jane Louise, daughter of Mr D. L. Farrant, OBE, and Mrs Farrant, of Lower Bourne, Farnham.

Dr W. G. McCann and Miss J. Kerr

The engagement is announced between William, only son of the late Dr H. J. McCann and Mrs G. A. Fleischmann, of Dublin, and Jill, elder daughter of Dr and Mrs David Kerr, of High Wycombe, Buckinghamshire.

Mr R. E. B. Mews and Miss W. K. Chew

The engagement is announced and the marriage will take place shortly in Australia between Richard Ewan Bromley, son of the late Ewan Mews and the late Mrs Mary Pride, of Gloucestershire, and Wee Khoon, only daughter of Mr and Mrs Chew Chee Siong, of Singapore.

Major H. M. Purcell and Miss L. V. Colborne-Malpas

The engagement is announced between Hugh Maurice Purcell, Irish Guards, eldest son of Lieutenant-Colonel and Mrs H. G. Purcell, of Foxrock, co Dublin, and Lucie Victoria, second daughter of Mr and Mrs J. F. Colborne-Malpas, of Putney.

Mr R. Sandford-Fawcett and Miss A. M. Lewis-Roberts

The engagement is announced between Richard, only son of the late Mr and Mrs J. W. Sandford-Fawcett, formerly of Gerrards Cross, Buckinghamshire, and Alice Margaret, younger daughter of the late Group Captain and Mrs A. O. Lewis-Roberts, formerly of Chalbury, Dorset.

Mr J. O. Tudor and Miss L. A. Richards

The engagement is announced between John, only son of the late Group Captain Tudor, DFC, and Mrs F. Tudor, of Burbage Road, Dulwich, London, SE24, and Laura-Ann, only daughter of Mr and Mrs E. Richards, of Woodquest Avenue, Herne Hill, London SE24.

Marriage

Mr A. J. Holford and Miss J. C. Russell

The marriage took place on Saturday, March 8, at Witchampton, Dorset, between Mr Andrew John Holford, son of Mrs Ivan Kirk, and Miss Jane Carol Russell, daughter of Mr and Mrs John Russell. The Rev C. P. de Candole officiated. The bride, who was given in marriage by her father, was attended by Miss Amanda Williams, Miss Lorna Russell and George Hankinson. The Rev D. N. Hobden was best man.

A reception was held at the home of the bride.

Photograph by Bill Warhurst

The Queen greeting the Ven Dr Saddhatissa, a Buddhist, on her arrival at Westminster Abbey yesterday for a Commonwealth Day observance.

Durham School

The following awards are announced to commence in September, 1980:

KING'S SCHOLARSHIPS: 1st equal, I. F. Greenshields (Tonstall School), A. B. McNish (Durham Chorister School); 3, A. J. Craig (Red House, Norton); 4th equal, A. A. Harris (Aycliffe House), P. L. M. Dobson (Newcastle Preparatory School and Durham School).

EXHIBITIONS: 6th equal, B. M. W. Devlin (Red House, Norton and Durham School), C. M. McGilvray (Mowden Hall), A. J. A. Sawyer (Royal Grammar School, Newcastle upon Tyne); 9, G. B. Stephens (Newcastle Preparatory School); 10, R. G. Hepple (Durham Chorister School); 11, A. W. Baines (Hurworth House); 12th equal, J. Fisher (Bow School), J. A. Brown (Durham School); 14, C. A. Nabar (Tonstall School).

MUSIC AWARDS: 1, D. Billingham (Newlands School, Gosforth); 2nd equal, D. J. Harris (York Minster Song School and Durham School), M. P. Hutchinson (Durham Chorister School).

ART AWARD: A. W. Baines (Hurworth House).

EXHIBITIONS AT AGE 11+: B. Dale (Daisy Primary School), J. C. Liddell (St Margaret's Junior School).

Prime Minister at enthronement

Mrs Margaret Thatcher and Mr William Whitelaw, the Home Secretary, are to attend the enthronement of the Most Rev Robert Runcie, as Archbishop of Canterbury on March 25.

In the absence of Mrs Thatcher and Mr Whitelaw, Sir Keith Joseph, Secretary of State for Industry, will answer Prime Minister's questions in the Commons on that day.

Roman Catholic-Orthodox dialogue on Patmos

From Our Own Correspondent
Athens, March 10

The theological dialogue aimed at restoring Christian unity between the Roman Catholics and the Orthodox Church is scheduled to begin on May 29 on Patmos, the Aegean island where St John the Divine received his revelation.

The decision to open a dialogue in the hope of healing a breach in Christianity dating from 1054 was formally announced last November during the visit of Pope John Paul II to the Orthodox Ecumenical Patriarch Demetrios I in Istanbul.

The ground for this historic decision had already been prepared by a mixed committee appointed by Rome and Constantinople, which took three years to work out the procedures and the agenda.

Patmos will host the initial phase of this reunion, the first since the short-lived agreement in the Council of Florence in 1439.

The dialogue will take place between May 29 and June 4 in the monastery of St John the Divine, which is under the suzerainty of the ecumenical patriarcate. It will be conducted by delegations from the Catholic and Orthodox churches, each comprising 14 prelates assisted by 14 theological advisers.

There will be one prelate and one theologian from each of the 14 Orthodox patriarcates and autocephalous churches, including an influential mission from Constantinople under its senior bishop, Metropolitan Meliton of Chalcedon, the architect of the present rapprochement.

The delegation from Rome was chosen to ensure the broadest possible geographical representation. It will include Cardinal Willebrands, who heads the Vatican's Secretariat for Christian Unity, and Cardinal Hume.

It has been agreed that all the differences between the two churches are to be broached during this dialogue, which will deal initially with the three main sacraments — baptism, confirmation and the Eucharist.

The administrative differences will be approached later, and the most serious are likely to emerge then, not least the question of Papal primacy and infallibility.

One third of China porcelain unsold

By Geraldine Norman
Sale Room Correspondent

An auction of Chinese export porcelain and works of art at Christie's yesterday left almost a third unsold; the total was £172,310, with 28 per cent bought in. But the explanation of the high unsold percentage was the strength rather than the weakness of the market, according to Christie's.

"We always have one or two sellers who only set their reserve prices at the last minute", Mr James Spencer, of Christie's said. On this occasion one trade seller decided at the last minute that he did not want to sell after all, and set enormous reserves on the lots he had for sale.

The underlying strength of the market was demonstrated by a curious group of Kangxi plates made around 1722 and decorated with *Commedia dell-Arte* harlequins miming the inscriptions that the plates carry in Dutch. The whole series are aimed at curbing the Dutch enthusiasm for speculation.

Among the translations of the inscriptions offered by Christie's catalogue are: "The march of the share values played on the tuning fork", "By God, lost all my shares", "Shares and Swindle". Prices for these instructive plates ran between £1,800 and £2,300; in the past they have made about £1,400 to £1,600.

There was another outstanding price for a piece underlining the link between Europe and the East, a *famille rose* shaped snuff box painted after a Nuremberg enamel original with Biblical scenes and dating from the reign of Qianlong; it sold for £2,600 (estimate £1,200 to £1,500) to Marchant, the London dealer.

In Paris yesterday the auctioneers, Delaporte and Rieunier, offered some outstanding pictures and furniture. A pen drawing of a "Mother and her young child" attributed, no more, to Jacob de Gheyn II, was clearly taken as a genuine work when it fetched 26,000 francs (estimate 3,000 francs), or £2,766.

A suite of three rare Régence carved armchairs, upholstered in leather, made 148,000 francs (estimate 150,000 to 180,000), or £15,743. An ormolu-mounted marquetry Régence commode with a marble top made 135,000 francs (estimate 120,000), or £14,361.

There were some curiosities in the sale. A Louis XVI rosewood embroidery frame designed for tapestry work sold for 13,000 francs (estimate 5,000), or £1,383.

A distinguished Art Deco table, the work of Louis Sue and André Mare, made 30,000 francs (estimate 25,000 to 30,000), or £3,191. It stands on five legs made in imitation of bunches of palm stems and has a marble top; the table was commissioned by Prince Fredrico Pallaviccini on behalf of Helena Rubinstein.

A sale of modern pictures at Blache of Versailles on Sunday included an attractive work by Raymond Legueult, "Emilienne a la Robe Blanche", of 1954, at 58,000 francs (estimate 25,000 to 30,000), or £6,170. "Le Moulin de Sannois", by Gen Paul, sold for 56,000 francs (estimate 45,000), or £5,957.

At Sotheby's sale of English and Continental glass yesterday the top prices were all paid by foreign buyers. Stempel, a German dealer, paid £1,400 (estimate £500 to £700) for a *facon de Venise* white threads, dated to the sixteenth or seventeenth centuries.

A German private collector paid £1,300 (estimate £800 to £1,000) for a *facon de Venise* winged wine glass, probably made in the Low Countries in the seventeenth century. The same collector paid £1,000 (estimate £800 to £1,000) for a Nuremberg wheel-engraved bottle and £900 (estimate £500 to £700) for a Bohemian goblet and cover of about 1720.

The sale totalled £54,695, with 6 per cent unsold. Old wine bottles, with their ancient seals, were the only group of items that proved consistently difficult to sell at the price levels indicated by recent auctions. Several were unsold.

OBITUARY

MRS GLADYS CALTHROP

Artist and stage designer

Mrs Gladys E. Calthrop, the artist and stage designer, who died on March 7, had been one of the closest friends and collaborators of Sir Noel Coward, with who she worked on over a score of productions. A witty, imaginative companion, known to the Coward circle as "Blackie" and with a love of barbaric jewellery, she had a rich, historical sense shown (for example) in such designs as those for *Cavalcade*; the first and third acts of *Bitter Sweet*; and *Conversation Piece*. Though she did much else, from pantomime to Ibsen, *Autumn Crocus* to Margaret Webster's recital of *The Brontes* (1964), she will be remembered always for the style and theatrical flourish of everything she did for Coward and for what (in Basil Dean's words) were the shrewd common sense, cultured mind, and good taste that must have deeply influenced his early years.

A Devonian, born at Ashton—her maiden name was Treeby—she met Coward in 1921 when staying with her parents at Alassio. They became friends after an unfortunate beginning when she seemed, from the front row, to be laughing unappreciatively during his performance at a holiday concert. Later, when she began to design for the stage, Gladys Calthrop—her husband was Major Everard Calthrop—did the decor for the production of *The Vortex* at the Everyman, Hampstead (1924) that established Coward so firmly. She painted the sets out on the pavement beside the threatre—there was no room anywhere else—and battled with the Everyman manager who she felt claimed too much credit for himself, on the day of production removing from the second act set a fireplace he had contributed to it. No matter; whole venture was to b historic success.

Thenceforward, Gladys throp was a leading among West End desig Coward was inevitably her dramatist, Dean and C. Cochran were among her m gers. Her name appeared such programmes as Lonsd *Spring Cleaning* (19 Coward's *Hay Fever* (19 *The Queen was in the Par* (1926) and also—though pictorial decor was not blame—the unfortunate *Sir* (1927), an early play which grown from a fiesta Gladys throp and Coward had see Italy. Before this, she had to New York for the Ame production of *The Vortex* had to join a paper hang union), and stayed for a w as art director of Eva Le lienne's new-found Civic Re tory Theatre.

She designed most Coward's work during the quarter of a century. The pe included the first and acts of *Bitter Sweet* which she and Coward had discussed in a car benea horse chestnut tree on Wi don Common; *Private* (1930); *Cavalcade* (1931) which she looked after entire scenic part of the Lane production (22 sets) sketched, planned, and about 3,700 costumes; *Co sation Piece* (1934); *B Spirit* (1941); *Present Lau* (1942); and much else t after. She worked, too, on Coward film (1942) "*In W We Serve*", with its destr HMS Torrin, at Den Studios.

During the war she serv the Mechanical Trans Corps. Her only son, Hugo, killed during the fightin Burma.

PROFESSOR H. C. YOUTIE

Professor Herbert Chayyim Youtie, Research Professor of the University of Michigan, and Corresponding Fellow of the British Academy, died on February 13 at the age of 75.

Youtie stood among the most eminent and most individual of American classical scholars. He devoted himself to one subject, the documents (on papyrus and potsherd) from Greco-Roman Egypt; here his publications, over 40 years, set the exemplary standard. The basic tasks were two: to decipher the rapid and ambiguous script, and to assess the text in cultural and historical context. To the first Youtie brought a sharp eye, a total command of Greek, and a marvellous intuition; to the sec wide learning and a keen s ment of synthesis.

He had the instincts, not of a scholar, but of an and theorist: the " notes" in which he ident and corrected, with ki implacable logic, the decipherments of his leagues, became a literary in their own right; his di sions of method inv Bergson in analysing the cooperation of eye and on which all reading dep.

He became the doyen papyrologists; and his cou and accessibility notably c buted to their tradition international understandin

HON MICHAEL ASTOR

Mr Nicholas Barker writes:

Michael Astor did more than "good wrk" for the London Library. What he did, with generous, imaginative and increasing energy, cannot adequately be measured. It is not easy for a private subscription library, even the greatest, to survive in the modern world: it is largely due to Michael that it can now face the future with modest confidence, for in 1972, after serving on the Committee since 1967, he was asked to be Vice-Chairman of an appeal for £500,000 which was urgently needed to meet the financial crisis that threatened the Library's very survival. Michael was largely responsible for raising well over that sum in a matter of months. He was a resourceful and original fund-raiser: both tactful and efficient, he could turn his mind with equal address from astute moral pressure to a vision of the Library's future. No one would have guessed, so easy did it seem, how much hard work he put into it.

I like to think that in this triumph Michael also found his métier. Certainly he was the natural choice as the next chairman in 193, and for almost seven years, until a few before his death, he gave Library his devoted and u ted service. He set in m the modernization of the l ing, and patiently rode ou storms that these and changes engendered. He w thoughtful for the staff a the members, for the fri old fabric of the Library a its future finances. No was too small to engage h terest, and at committee ings Michael's evident if u ventional delight in every on the agenda was irresis His own benefactions frequent, generous and with the utmost stealth. A never forgot that, first and books make up a library that our ultimate purpose to safeguard and add to t

He was still thinking a the Library and its contin problems, even after the of illness forced him to r as Chairman. We shall miss very much, not only for wh did but what he was. D mined and far-sighted, hearted yet serious, he talents which were all his Life with him was never and it will be the poorer out him.

PROF J. A. GALLAGHER

R.A.B. writes:

By the dath of Jack Gallagher, Trinity Cambridge may seem to hav lost its linchpin. For all the later time that I was Master he was my Vice-Master and tok a great deal of the weight of my shoulders.

He gave rulings on discipline and decided protocol as to the manner born. With undergraduate representations he exhibited a remarkable patience which involved meetings lasting three or four hours. As a re we had a large, relaxed consultative student body.

He will be sorely misse his friends at the High Ta his hospitality cannot be placed. His sense of friend acted as a cement bringing largest college in Oxford Cambridge into a happy u Others have spoken, and speak, of his scholarship the inspiration he gave to pupils.

Dinners

Royal Society of Medicine

Lord Smith, President of the Royal Society of Medicine, with Professor Sir John Dacie, past-president, Professor Sir John Stallworthy, president-elect, and honorary officers presided at a dinner held yesterday evening at 1 Wimpole Street, London. The principal guest was Dr J. R. Vane, Group Research and Development Director of the Wellcome Research Laboratories, who had earlier delivered the Nuffield Lecture, which on this occasion was associated with the centenary of Burroughs Wellcome and Company. The guests included:

Professor R. H. S. Thompson and Dr P. O. Williams (representing the Wellcome Trust) and Mr A. J. Sheppard, Mr D. Godfrey and Dr J. W. Black (representing the Wellcome Foundation).

Carlton Club

Mr Harold Macmillan, OM, FRS, was the guest of honour at a dinner held yesterday on the occasion of his retirement as chairman of the Carlton Club and of his appointment as its first president. Lord Boyd-Carpenter, chairman, was in the chair.

Society of Conservative Lawyers

The annual dinner of the Society of Conservative Lawyers was held at the Waldorf Hotel yesterday. Mr Edward Gardner, QC, MP, chairman, presided and Mr Mark Carlisle, QC, MP, was the guest of honour. Mr James Lemkin also spoke. Among others present were:

Sir Graham Page, MP, Sir Charles Johnston, Sir Ian Percival, QC, MP, Mr Antony Buck, QC, MP, Mr Trevor McDonald, Mr Alan Campbell, QC, Miss Pamela Thomas, Mr Leon Brittan, QC, MP, Mr Patrick Mayhew, QC, MP, and Mr Peter Temple-Morris, MP.

Service dinner

British American Forces Dining Club

Major-General George J. Keegan, Junior, USAF, was the guest of honour at the British American Forces Dining Club's dinner held last night at the Royal Commonwealth Club. The dinner also marked the retirement of the British chairman of the club, Rear-Admiral Sir David Scott. Rear-Admiral Charles P. Tesh, USN, American chairman of the club, was in the chair. Among others present were:

Air Chief Marshal Sir Robert Freer, Vice-Admirals Sir Anthony Troup, and Sir Stephen Berthon, Major-General J. Hamilton-Jones, Brigadier L. L. Cross, Air Vice-Marshal M. J. Armitage, Rear-Admiral J. S. Grove, Major M. V. Jenkins, RM, Colonel G. E. Williams, USAF, Captain J. E. Simpson, USN, Colonel D. A. Walbrecht, USAF, Captain P. F. Gibber, USN, Commander P. Sushko, USN, Lieutenant-Colonels R. N. Landes, Jr, USMC, M. E. Kriesel, Jr, USA, and G. M. McGauley, USAF.

Receptions

HM Government

The Defence Council entertained defence and service attachés in the United Kingdom and their ladies at a reception given in their honour by her Majesty's Government at Lancaster House yesterday evening. The guests were received by the Secretary of State and Mrs Pym and the Chief of the Defence Staff and Lady Lewin.

HM Government

Mr Norman Tebbit, Parliamentary Under-Secretary of State, Department of Trade, was host at a reception held last night at 1 Carlton Gardens in honour of the Association of South East Asian Nations' delegation to the air services discussion with the United Kingdom.

Victoria League

The Victoria League gave an afternoon reception at Over-seas House yesterday, by permission of the Royal Over-seas League, to celebrate Commonwealth Day. Sir John Prideaux, chairman of the Victoria League, and Lady Prideaux, Lord Grey of Naunton, chairman of the Royal Over-seas League, and Lady Grey received the guests, who included Commonwealth High Commissioners and Agents General and members and students of Commonwealth organizations.

Meeting

Royal Over-Seas League

Mr Michael Ivens, director of Aims, was the guest speaker at a meeting of the Royal Over-Seas League's discussion circle held at Over-Seas House, St James's, last night. Colonel Robert Wright was in the chair.

Younger players do well in bridge trials

By Our Bridge Correspondent

The second stage of the exhaustive trials organized by the British Bridge League to select the team to represent Great Britain in the Olympiad at Valkenburg, Holland, in September took place in London over the weekend. Four teams, captained by R. A. Priday, G. T. Kirby, I. Panto and B. D. Short, have been formed after the pairs weekend. Each had to play two 16-board matches against the others and they will repeat the round robin in Birmingham on May 24-25.

At the halfway stage Kirby and Priday had drawn clear of the other two, with the younger team winning five out of six matches and establishing a 10 victory points lead. The more experienced Priday team, containing three players who were members of the victorious British teams in 1961 and 1963 (Britain's only successes in the European championship over the past 25 years) lost two matches, to Kirby 4—16 and to Panto 7—13, but had the satisfaction of beating Kirby in one of their matches by 20—minus 1.

The standard of play generally was disappointing, interspersed with the occasional brilliancies. Standings:

G. T. Kirby, J. M. Armstrong, A. R. Forrester, R. Smolski, 88; R. A. Priday, C. Rodrigue, M. J. Flint, R. M. Sheehan, 78; I. Panto, C. P. Lesser, R. Mervis, G. Calderwood, 40; B. D. Short, A. H. Duncan, B. Shenkin, V. Goldberg, 19.

Auden papers to stay in American library

From Our Own Correspondent
New York, March 10

A valuable collection of the late W. H. Auden's papers was awarded to the New York public library by a court in New York last week. The decision came after a long hearing at the end of last year at the Surrogates' Court, in which the father of the poet's homosexual lover had sought title to the papers.

Mr Auden, who died in 1973, left the papers to Mr Chester Kallman, his lover. Mr Kallman, who died in 1975, had agreed to give the papers to the library but lawyers for his father, Dr Edward Kallman, argued that the gift had not been completed at the time of his death.

The surrogate, Mr Millard Midonick, ruled that Mr Kallman had intended the papers to be given to the library, where they had been delivered three months before his death.

He added that he thought Mr Auden would be pleased that they had gone to the library, where they will form part of the Berg collection of manuscripts.

Jefferson Lecture

Mrs Barbara Tuchman, the Pulitzer Prize-winning American historian, is to give the 1980 Jefferson Lecture—the highest honour conferred by the United States Government for intellectual achievement outside the field of science—at Guildhall, London, on April 30. It is the first time the lecture has been given outside the United States.

Middle Temple

Mr Justice Cantley has been elected Deputy Treasurer for 1980.

Gifts to Sadler's Wells

The National Westminster Bank is giving £20,000 to improve rehearsal facilities and other staff conditions at Sadler's Wells Royal Ballet and Theatre, in north London.

Dances and cocktail parties, 1980

A list of some of the dances and cocktail parties arranged to take place before the end of 1980 will be published on April 7. It will be revised and repeated on June 2. The charge for inclusion in one list will be £10 and in two lists £14. Inquiries should be made to Court and Social Advertising, *The Times*, PO Box 7, New Printing House Square, Gray's Inn Road, London, WC1X 8EZ (telephone 01-837 1234, ext 7363).

Church news

Appointments

The Rev M. J. Hardy, appointment and training secretary, USPG, diocese of London, to be Rector of St Peter, Stretford, diocese of Manchester.

The Rev W. G. Howells, Vicar of Cofton and Starcross, diocese of Exeter, to be Vicar of Modbury with Brownston and Aveton Gifford, same diocese.

The Rev M. H. Knott, Vicar of Blackmore, diocese of Chelmsford, to be also priest-in-charge of Stondon Massey.

The Rev D. V. Osborne, Vicar of Holy Angels, Claremont, Salford, diocese of Manchester, to be Vicar of St Mary and St Hardulph, Breedon-on-the-Hill with All Saints, Isley Walton, diocese of Leicester.

The Rev J. D. Quance, assistant chaplain, Middlesex Hospital, London, to be Rector of St John, Failsworth, diocese of Manchester.

The Rev S. Robbins, curate of Tudhoe Grange, Spennymoor, diocese of Durham, to be priest-in-charge of the conventional district of St Ninian, Harlow Green, Gateshead, same diocese.

The Rev G. B. Seabrook, Vicar of St George, Cranley Gardens, diocese of London, to be also priest-in-charge of St Mary, Hornsey.

The Rev R. G. Smith, head of the R. E. Department at Loughton County High School for Girls, to be Vicar of Harold Hill, St George with St Thomas Noak Hill, diocese of Chelmsford.

The Rev A. Wadge, priest-in-charge of Shipton Moyne and Westonbirt with Lasborough and chaplain of Westonbirt School, diocese of Gloucester, to be Vicar of Holy Trinity, Drybrook, Forest of Dean, same diocese.

Canon R. L. Whiteley, residential canon of Wakefield Cathedral, diocese of Wakefield, to be Vicar of Almondbury, same diocese.

The Rev R. D. Wisken, clerical organizing secretary, SW area, Church of England Children's Society, to be Rector of Edmundbyers and Muggleswick, diocese of Durham.

The Rev A. Wolstencroft, Vicar of St Martin, Wythenshawe, diocese of Manchester, to be Vicar of St John, Brooklands, Sale. He remains Rural Dean of Withington.

The Rev W. R. G. Willett, vicar of Holy Trinity, Walton Breck, diocese of Liverpool (July 31).

Resignations:

The Rev C. Haigh, Vicar of St Albans, Romford, diocese of Chelmsford (August 31, 1980).

The Rev D. T. Taffinder, vicar of Bibury with Winson and Barnsley, diocese of Gloucester.

Compiled by the Church Information Office, Church House, London, SW1.

Latest wills

Residue left to National Trust

Mr Robert Henry Wells, of Hove, East Sussex, civil servant, left £101,394 net. After a personal bequest he left the residue to the National Trust.

Miss Dorothea May Harvey, of Winchester, left £131,316 net. After specific bequests she left the residue equally between the Cheshire Foundation, with the wish that it benefit the home, Le Court, Liss, the RNIB, PDSA, NSPCC, Winchester, the Home of Comfort, Southsea, RUKBA, Distressed Gentlefolk's Aid Association, British Red Cross Society, Winchester, and Cancer Research Campaign.

Other estates include (net, before tax paid; tax not disclosed):

Cater, Mr Frederick William, of Walsall, West Midlands .. £134,988
Coombes, Mr Joseph, of Highbridge, Somerset £223,639
Dowdall, Mr Lawrence William, of Cheam, Surrey £212,135
Gluckstein, Sir Louis Halle, QC, of St John's Wood, London £146,347
Hewson, Mr Thomas Twentyman, of Wigton, Cumbria .. £176,544
Holmes, Mr Frederick, of Fulbeck, Lincolnshire £159,561
Jones, Mr Ieuan, of Frodsham, Cheshire £260,984
Lloyd, Colonel Philip Henry, of Market Harborough, Leicestershire, company director .. £166,852
Mason, Mr Humphrey Francis, of Woodbridge, Suffolk .. £198,424
Merrett, Mr Roy John Mark, of Purley, Surrey, underwriting member of Lloyd's £593,862
Morris, Mr William, of Cardiff .. £195,319
Newing, Mr Peter Henry, of Reigate, Surrey £669,147

Science report

Medicine: New light on infant deaths

By Our Medical Correspondent

Sudden infant deaths remain the most common cause of death between the ages of one week and one year. Each year in Britain more than a thousand infants are found dead by their parents, having been put into their cots either in good health or with apparently no more than a minor respiratory infection.

Despite vast research the cause of sudden infant deaths remains undiscovered. Among the hundred or more hypotheses that have been investigated are allergy to cow's milk, deficiency of trace elements, congenital heart defects, and infection with various viruses. At present, however, the most favoured theory is that the immediate cause of death is that the baby stops breathing, either as a result of some obstruction in the throat or a failure in the reflexes that maintain regular respiration during sleep.

Support for that theory has come from several sources. Prolonged pauses in normal breathing have been observed during sleep both in infants whose deaths later were unexplained and in their brothers and sisters who survived. The normal reflex control of breathing appears in some way defective, too, in "near-miss" infants, those found unconscious and not breathing but resuscitated.

If, then, the underlying defect in at least some babies who die unexpectedly in infancy is in the respiratory reflexes, might this be a disorder inherited from their parents? A research group at the Rutgers Medical School, in New Jersey, have been looking into that possibility. They studied six couples who had had a baby die suddenly and compared them with couples whose babies were healthy.

When breathing stops for any reason, carbon dioxide formed in the muscles rapidly accumulates in the bloodstream, and that stimulates the nerve centres in the brain, so causing a powerful reflex to restart the action of breathing. The strength of that reflex is very apparent to anyone trying to hold his breath.

However, normal persons vary in the speed and strength of their response to a rise in the blood content of carbon dioxide, and the Rutgers research group tested that reflex in the 12 parents of babies who died in their cots and in normal adults. Nine of the 12 parents had abnormally low responses to carbon dioxide. That variation is not necessarily dangerous in adult life: it may, for example, be helpful to swimmers, but it could be hazardous in infancy.

A small baby whose breathing is obstructed by it turning on to its face or by a respiratory infection will normally breathe more deeply to overcome the obstruction. Possibly, however, infants with a low response to carbon dioxide may fail to react in that way, and that could be the explanation for some sudden deaths.

Source: *New England Journal of Medicine*, February 28, 1980, p486.

25 years ago

From The Times of Friday, March 11, 1955

From Our Own Correspondent

Washington, March 10.—The open conflict of opinion between Paris and Bonn over the extent of Anglo-American support for the Saar agreement has caused much concern in Washington and though there is every reluctance to intervene in such an issue it is felt in the State Department that if these differing interpretations came to the point of endangering the London-Paris accords the United States might find it politic to define its position more clearly. Such a statement would preferably be made jointly with the British Government. Whether or not for these reasons President Eisenhower was moved today to make a six-point declaration of American policy toward the Western European Union, and the fact that it is issued before rather than after final ratification of the Paris agreements seems to have its bearing on the Saar dispute by looking to the wider horizons of European unity. Among the inducements to ratification is an undertaking to retain in Europe, including Germany, such American armed forces as may be necessary

University news

Oxford

Elections

J. P. H. Lyell, readership in bibliography for 1980-81: I. G. Philip, emeritus fellow, St Cross College, formerly deputy librarian, Bodleian Library, for 1982-83: J. J. G. Alexander, DPhil, reader in the history of art, Manchester University. Cherwell-Simon memorial lectureship, 1979-80: Professor P. W. Anderson, professor of physics, Princeton University.

MERTON COLLEGE

Senior scholarships, from October 1: R. J. Gay, former postmaster of the college; J. Marsh, BA, former postmaster of the college, and G. Williams, Open Weir scholar of University College. Junior research fellowships: A. I. Ferguson, former Lindemann fellow, Stanford University (physics); L. M. Whitby, former open scholar, Corpus Christi College (Byzantine history); Dinah L. Birch, former scholar of St Hugh's College (English); and A. J. Dodd, former scholar of Balliol College, research fellow of New College (mathematics).

Cambridge

Election

Prof H. K. Moffatt, BA, PhD, of Bristol University, former lecturer in the department of applied mathematics and theoretical physics, and fellow of Trinity College, has been elected to the professorship of mathematical physics from August 1.

Appointment and awards

Dr R. M. Needham, of Wolfson College, to be head of the computer laboratory from October 1. The Forson prize for 1980 to D. G. McFarland, of Queens' College. Proxime Accessit: R. A. Jackson, of Trinity College.

Dublin

TRINITY COLLEGE

Professor D. J. Bradley, FRS, has been appointed to a chair in optical electronics.

London

Grants

Social Science Research Council: £21,711 to Prof D. F. Hendry, professor of econometrics—A study in the history of econometric thought; £1[illegible] to Dr L. Hannah, director of the business history unit—Prosopography of British business leaders [illegible] £175,180 to Prof J. D. Sargan and Prof D. F. Hendry, professors of econometrics—programme of methodology, inference and modelling in econometrics; £42,599 to H. Glennerster, senior lecturer in social administration—A local study of social service planning.

Department of Health and Social Security: £32,000 to Prof R. A. Pinker, professor of social work studies—Local liaison arrangements between DHSS and other services; £31,758 to Prof Pinker—Research into alternative provision for elderly people requiring long-term care.

Leverhulme Trust: £53,993 to Prof M. S. Anderson, professor of international history, and Dr B. J. Pimlott, visiting research associate—To edit the diary of Lord Dalton for publication.

Nuffield Foundation: £20,316 to Prof K. E. Thurley, professor of industrial relations with special reference to Personnel Management, and Mr J. L. Jones, associate fellow—To write an account of the transformation of industrial relations 1938-78.

Science Research Council: £72,558 to Mr R. K. Stamper, senior lecturer in systems analysis—information systems: the "Legol" project.

German Marshall Fund of the United States: $65,000 to Baroness Seear, retired reader in personnel management — Research into personnel practices.

Commission for Racial Equality: £21,550 to J. Mapondera—To determine the extent to which the arts provide opportunities for the integration of ethnic communities.

Manchester

Honorary degrees are to be conferred in May and July on the following:

LLD: Sir Freddie Laker, chairman of Laker Airways; Mrs Justice Heilbron, Senior Presiding Judge of the Northern Circuit; Sir George Kenyon, chairman of the university council.

LittD: Professor Bertrand de Jouvenel, former professor of law, Paris University; Professor Robert Shackleton, holder of the chair of French, Oxford University.

DSc: Professor Sir Kenneth Mather, former Vice-Chancellor of Southampton University.

MA: Mr Michael Elliott, artistic director, Royal Exchange Theatre; Mr G. W. G. Fitzsimons, former Lord Mayor of Manchester; Mrs Constance Holt, former Chief Nursing Officer, United Manchester Hospitals and Manchester Area Health Authority; Canon Eric Saxon, Rector of St Ann's, Manchester; Mr Leonard Bailey, member of university library and museum committees.

Wales

Grants

UNIVERSITY COLLEGE, SWANSEA

Medical Research Council: £36,494 to dep of genetics for research on the detection and assay of tumour promoting chemicals by Dr I. M. Parry.

Ministry of Defence £23,492 to dep of metallurgy an materials technology for research wo on creep recovery cast alloys and recovery mechanisms.

Southampton

Appointments:

Dr D. Holt, lecturer in social statistics, to th Leverhulme chair of social statiscs.

Dr P. Rhodes o be professor of postgraduate mdical education.

Dr D. C. Rown to the title of professor emerus.

Dr R. Scurlock, director, Institute of Cryogenics; M. Forster, (director, Centre for Energy Law Policy); R. S. Broom, (Short course director, electronics).

Senior Lecturer: J. L. Smith (English); Dr D. E. Rogers (chemistry); Dr J. S. Oden (chemistry); Dr J. M. Wagstaff geography); Dr D. Ramsden (physics); Dr A. F. Newell (electronics); Dr I. G. White (ISVR); R. J. Lawson (sociology and social administration); A. I. Rutherford (adult education); Dr S. Poulter (law); Dr R. H. McLone (mathematics); Dr G. C. Wilton (biochemistry); Dr A. Noble and Dr B. Chapman (physiology and pharmacology).

Lecturers: D. J. Brown, (electrical engineering); D. J. Towers, (accounting and management economics); I. Diamond, (social statistics); Dr R. G. Powell, (opthalmology); Dr C. E. H. Dubowlay, (pathology); Dr M. A. Hall, (child health).

Leicester

Grants

Medical Research Council: £24,727 to Dr C. D. Ockleford to study human placental coated vesicles; £38,141 to Dr G. E. Blair to study the control of transcription the adenovirus genome; £35,224 to Dr D. R. Richley to study the relevance of loss f complex glycolipids to other aspects of the malignant phenotype; £22,237 to Mrs E. M. Ockleford and Miss L. A. Vince to study consequences of auditory experience during foetal life: responses of premature infants and full-term neonates.

Science Research Council: £34,013 to Dr C. R. Bagshaw to study structure and function of calcium binding proteins; £35,133 to Professor Symons and Dr J. B. Raynor to endor spectroscopy on metallo-enzyms, metal complexes and irradiated systems; £26,000 to Professor K. A. Pounds for local plane instrumentation for the UK Infrared Telescope Unit £252,600 to Professor Pounds for a programme of X-ray astronomy and astrophysics for 1980.

Independent Broadcasting Authority: £29,800 to Professor J. Halloran to study the attitudes of immigrant communities to television programmes.

Appointments

Dr J. Tarney to the F. E. Bennett chair of geology; Dr T. B Jones to the personal title of professor of theoretical physics; Professor N. Pye to the title of Emeritus Professor.

Lecturers: N. P. Foreman (psychology); Dr G. D. Migliorini (obstetrics and gynaecology).

Senior lecturers: T. J. Hold (education); Dr J. Burgess (chemistry); P. S. Fearon (economic and social history); Dr D. A. Reeder (school of education); W. F. T. Myers (English); T. Keefe (French); Dr B. M. W[illegible] (genetics); Dr C. Norris (physics); A. M. Shaw (social work); D. Ashton (sociology).

The following honorary degrees are to be conferred on July: DSc: Sir Douglas Black, president, Royal College of Physicians; Ken Wood, surgeon; Dame Josephine Barnes, president, British Medical Association; Professor Sir John Walton, chairman of education committee, General Medical Council.

LLD: Professor René David, emeritus professor of law Aix-en-Provence University; Sir Patrick Nairne, Permanent Secretary, Department of Health and Social Security; Sir Sydney [illegible], chairman, Trent Regional Health Authority.

East Anglia

GRANTS

£28,336 from the Office of N Research to Emeritus Professor H. Lamb to investigate ice prediction. £47,850 from the British Library Professor L. A. Stenhouse for a study of library access, use and user education in sixth forms.

Lancaster

Grants

Science Research Council: £23,35[illegible] Dr P. Hodge for the investigation of some polymer-supported reagents and catalysis; £39,368 to Dr G. Smith, Professor M. J. French and C. T. Preston for the collection of examples of the application of [illegible] mers; £27,809 to Dr P. V. E. McClintock for study of vortex nucleation in isotopically pure He-4 and in He-3 He4 solutions; £46,800 to Professor S. L. Harris for a polymer-orientated fellowship.

Natural Environment Research Council: £21,713 to Dr J. Hamilton-Taylor for a study of trace metal supply and cycling in Windermere; £25[illegible] to Dr R. M. Harrison for study of processes affecting concentrations of tropospheric photochemical ozone in NW England.

Social Science Research Council: £10,397 to Dr M. M. Smith for study of central and peripheral factors in the control and retention of motor movements; £63,041 to Professor A. Aitkin for the statistical analysis of complex social data.

Promotions

Senior lecturers: Dr R. J. Banks (environmental sciences); Dr J. R. [illegible] and Dr E. J. Evans, history; Dr Cowie, music; Dr D. Newton, physics

THE TIMES
BUSINESS NEWS

■ **Stock markets**
FT Ind 452.3, down 3.4.
FT Gilts 64.15, up 0.21.

■ **Sterling**
$2.2165, down 120.
Index 71.9, unchanged.

■ **Dollar**
Index 87.4, up 0.2.

■ **Gold**
$585.50, down $28.

■ **Money**
3 month sterling, 18¼-18.
3 month Euro-$, 18¼-18¼.
6 month Euro-$, 18¼-18¼.

IN BRIEF

R-R drop in profits due to diesel losses

Profits of Rolls-Royce Motors were halved last year to £7.1m, though the group has maintained its dividend at 7.8p a share.

The worst problem was not the cars business—where profits were held at £10.3m despite the engineering dispute which cost the group an overall £5m—but the diesel engine division which returned a loss of £1.7m, against profits of £4.4m in the previous year.

Here, even the underlying problem of slack demand for industrial engines was overshadowed by the loss of a contract to supply Iran with battle tank engines for the cancelled Chieftain tank contract.

Financial Editor, page 17

Software finance

The European Commission is inviting applications from companies for financial support of computer software and applications projects. The programme was formally adopted by the Council of Ministers in 1979 with a budget of £9m.

Anti-dumping charges

Anti-dumping proceedings against liquid fertilizer imports from the United States have been started by the European Commission. This follows complaints, mainly from producers in West Germany and France, voiced by CMC Engrais, the European fertilizer industry association.

£1m reactor deal

GEC Reactor Equipment of Leicester has been awarded a contract for the design and supply of the protection system to be used by the prototype nuclear reactor CIRENE to be built at Latina, near Rome. The contract could eventually be worth £1m.

100 redundancies

About 100 workers will be made redundant as a result of a decision by Booth (International Holdings) to rationalize leather production in Nottingham by merging two tanneries. Plant and equipment will be moved from the Wade premises to the Trent Bridge works of Turney Bros.

BS cancel meeting

British Shipbuilders yesterday cancelled a scheduled meeting over the possible sale of Falmouth Ship Repair, because Mr Christopher Bailey, head of Bristol Channel Shiprepairers had not submitted details of his offer. BS say Falmouth is not on offer.

£400,000 Tokyo order

International Marine Radio, of Mitcham, London, a subsidiary of Standard Telephones and Cables, has won a £400,000 order from an undisclosed Japanese shipbuilder for equipment that monitors oil contamination caused by discharge from tankers.

Belfast chosen

The Post Office is to set up a computer software centre near Belfast employing 200 graduate engineers and computer scientists, and a further 200 supporting staff. The Northern Ireland Office sees this as a vote of confidence in the province.

Industry squeeze ahead as raw materials costs rise 36 pc

By David Blake

A warning of further inflationary pressures and a continuing squeeze on industry's profits came yesterday with the release of figures showing that the price industry pays for its fuel and raw materials rose by 2 per cent in February.

Over the six months to the end of February, the underlying rate of increase in raw materials costs was running at an annual rate of 36 per cent.

At the same time, factory gate prices which industry charged for its products went up by 1½ per cent in February, pointing to an underlying rate of inflation for wholesale prices of 17½ per cent in the six months to the end of February.

The latest figures show the extent of the cost pressures which have been building up on industry for several months.

The rising price of oil has hit costs hard. Over the year to the end of February it is estimated that costs for fuels and raw materials have gone up by 28¾ per cent, of which two thirds is accounted for by the increase in the oil price dictated by a combination of Opec pricing decisions and markets forces.

The strength of sterling in the early part of the year only partially cushioned industry from the impact of these costs and the fall over the past few days in the pounds' value is likely to lead to renewed inflationary pressures.

So far, consumers have been protected from the impact of the pressures by manufacturers' willingness to accept a squeeze on margins. In the six months to February, the cost of raw materials and other fuels went up by 16.6 per cent but outward prices rose only half that amount.

It seems likely that the strength of sterling may have had some part in this. Manufacturers facing competition from imports benefiting from the high value of sterling may have been reluctant to push up their prices for fear of losing market share. However, the squeeze in both the United Kingdom and overseas markets which the pound's strength has been applying has been eating into profit margins and liquidity.

The gloomy figures for wholesale inflation underline the problems facing the Chancellor as he prepares for his Budget on March 25.

The Retail Price Index is expected to peak at around 20 per cent in the summer, but it now seems certain that it will take a very long time to come down towards single figures. Most forecasts suggest that retail prices will stand about 16 per cent higher at the end of this year than they were at the end of 1979 and it is thought unlikely that the inflation rate will drop much more than 3 per cent in 1981.

This points strongly away from any increase in indirect taxes which would push up the inflation rate. At the same time, the Government is looking for sources of revenue to provide some help to industry, which has been bearing the brunt of the cost squeeze in recent months. Even after taking account of this, however, the pace at which output prices are going up is discouraging. The annual rate of 17 ½per cent in February compares with an average annual rate of 7 per cent at the end of 1977.

Gold casualty of dollar's advance

By John Whitmore
Financial Correspondent

The dollar continued its world-wide advance on foreign exchange markets yesterday, the most notable casualty being the gold price.

At the official close in London the bullion price was down $28 at $585.80, and in late dealings the price sank to around the $570 level.

It was not just against gold that the dollar advanced, however. It also performed strongly against the Deutschemark, moving smartly through the DM 1.80 level to close at DM 1.8095 in spite of further heavy intervention by the central bank.

The dollar also finished higher against the Swiss franc at Sw fr 1.7305) although the Swiss authorities announced fresh measures to bolster the franc.

From today Swiss banks will be allowed to pay interest on non-resident time deposits of more than three months maturity. The Swiss National Bank has also removed its ceiling on forward foreign exchange transactions with foreigners.

The announcement of these new measures made little impact on the market, however, and dealers were predicting that the Swiss authorities would soon remove all remaining disincentives to holding francs.

Sterling lost some ground to the dollar, closing 1.2 cents down at $2.2165. But it held its ground against other currencies and its trade weighted index closed unchanged at 71.9, having been 0.1 down at midday.

The spur to the dollar's continuing advance again came from expectations of further anti-inflationary measures from the Carter Administration later this week and still higher United States interest rates.

Many American bankers are predicting rises in prime rates to the 18-18½ per cent level—most now stand at 17¾ per cent after last Friday's rise—but a few analysts feel that the peak may come at closer to 20 per cent.

The tightening of United States monetary policy and the slackening of tension in the Middle East saw the liquidation of gold holdings gather momentum yesterday, though short-sellers were clearly riding the bandwagon too.

Many investors appear to have decided that gold has finally run out of steam for the moment and that more profitable homes can be found for their money in high yielding paper securities.

Attitudes to the bombed out dollar bond market may remain cautious, but short term eurodollar rates, albeit rather easier yesterday, have been well above 18 per cent recently.

Wallace Jackson, Commodities Editor, writes: Prices of all base metals and silver fell on the London Metal Exchange yesterday in line with the decline in gold, falls in United States futures and a background of high interest rates. Copper lost £62 per tonne; tin, £290; lead, £40; zinc, 22.50; aluminum, 107.50; nickel, £115 and silver, 78.50p per troy ounce.

Commodities, page 19
Financial Editor, page 17

British Gas to invest £4,000m in five years

By Nicholas Hirst
Energy Correspondent

British Gas is to spend £4,000m on new investment over the next five years, including developing its Morecambe Bay find and using a southern gas field to boost winter supplies.

Expenditure on a new gas gathering pipeline system to collect gas from 10 northern North Sea oil fields, which is being proposed in a joint study by British Gas and Mobil, is excluded from that total and could add a further £1,000m to the bill.

The corporation is expected shortly to announce plans to use the Rough field in the southern basin of the North Sea to help meet peak demand in winter and store gas produced in high output northern fields during the summer.

Agreement between British Gas, which has 50 per cent of the field, and its partners, Amoco, Amerada Hess and Texas Eastern, will mean a sharply increased price paid to the producers and the installation of new compressors which could raise the capacity of peak production possibly threefold from the present 150 million cubic feet a day.

British Gas's expenditure is intended to bring total gas available to 6,500 million cubic feet on average a day from 5,000 million cubic feet at the moment and to raise the capacity for peak winter demand.

As part of these plans the corporation has sent out a discussion document to producers asking them if there is any way which they could increase peak production, increase the recovery on their fields, if they had a new gas which they might wish to develop and sell and whether they had any reservoirs which might be developed to meet peak winter demand.

Morecambe Bay, which is planned to produce an initial peak production of 600 million cubic feet a day in 1983, is to be used to meet demand in the winter months.

In line with its questions, British Gas has promised to pay greatly increased prices for any new development. Contracts on the southern basin gas fields have been gradually amended as oil prices have risen, but producers are being offered prices on a completely new scale for new finds.

he corporation believes that after a decade of lack of interest in the southern basin, the time has come to encourage new exploration to meet the slow decline in the huge Leman and I defatigable fields which will start in the mid-1980s. The response from the producers has been surprisingly good. Increased interest is likely on any blocks offered in the seventh round which is expected later in the year.

British Gas is confident that it can meet projected demand and that the Government will sanction its preferred scheme to colect gas from the northern fields which otherwise would be wasted.

Estonian shale talks

Sweden is talking to the Soviet Union about working Estonian oil shale deposits, it was announced in Stockholm.

EEC move to head off trade war with US

From Michael Hornsby
Brussels, March 10

Against a background of mounting trade tension between America and Europe, Viscount Etienne Davignon, the EEC Commissioner for Industry, flew to Washington today in a last-ditch attempt to ward off anti-dumping action against the Community's steel exports to the United States.

Officially he is scheduled to have talks only with Government members; but private contacts with executives of the United States Steel Corporation, which is reported to be on the point of filing an anti-dumping suit against imports of EEC steel, are not ruled out.

If the steel corporation were to be successful in its suit, it is estimated in Brussels that some 40 per cent of the 5.4 million (short) tons of steel exported to America could be affected, involving EEC steel manufacturers in a loss of close to $1,000m (£450m).

At an international symposium on the future of the steel industry in Paris at the end of last month, Viscount Davignon gave a warning that "if we enter into a trade war and protectionism in steel, cars will follow rapidly, and after cars it will be the shipyards and then advanced technology industries".

There is little doubt that some EEC steel is being "dumped" in America—at a lower price than what the same steel would fetch in Europe. So, from the legal and technical point of view, United States Steel probably has a strong case.

The main reason for this is that the trigger price mechanism intended to protect American producers from cheap imports is based on prices in Japan, which is regarded as the world's most efficient producer. In recent months, however, Japanese prices have dropped sharply because of the depreciation of the yen.

As a result, EEC exports have been able to sell more cheaply in America than in the EEC, without sinking below the trigger levels. The Americans also say the EEC is not abiding by international rules limiting national subsidies to its steel industry.

According to EEC officials, Viscount Davignon's main line of argument in Washington will be that the EEC originally agreed to accept the American trigger price system on the understanding that this would remove all threats of anti-dumping action.

EEC and American officials will be meeting in Geneva tomorrow and Wednesday to discuss the implications of the new EEC-approved quotas imposed by Britain to limit imports of American synthetic textiles. The Americans are worried that this could be followed by similar French and Italian action, and they have threatened retaliation.

Berisford takes 10 pc of British Sugar

By Richard Allen

S. & W. Berisford, the commodity trading and food merchanting group, revealed last night that it had acquired a stake of just under 10 per cent in British Sugar Corporation (BSC).

Berisford apparently bought a substantial line of shares in the market last week, although it declined to reveal either who the vendor was or how much it paid. At last night's closing price the BSC stake would be worth around £9.6m.

Speculation that the group could have merger ambitions were flatly denied by Mr Gordon Percival, a Berisford main board director.

He said: "It's purely an investment. We already had a significant stake and we were offered a quantity of shares which took us through the mandatory disclosure level".

He added: "We always have a few investments knocking around in areas which are to do with our natural course of business".

Even so the move surprised Mr John Beckett, BSC's chief executive, who said that Berisford had informed his group of the share stake in a brief hand delivered letter yesterday afternoon.

The move has come at a time when BSC's share price has been overshadowed by EEC talks on future sugar policy and speculation over the British Government's plans regarding its 24 per cent stake in the group.

BSC, having almost completed a 5-year £150m capital expenditure plan, has given a warning thta it may have to close eight of its 17 refineries if proposals tabled in Brussels calling for significant quota cutbacks are adopted.

Mr John Beckett: surprised by Berisford deal. . .

Supported by Mr Peter Walker, the Agriculture Minister, BSC is fighting plans which would reduce the group's existing "A" quota of 1.04m tonnes to 936,000 tonnes.

Despite the uncertainty, Mr Beckett has maintained recently that his group's current share price is "too cheap".

At £96m, BSC's capitalization is only around £30m less than that of Berisford and Mr Beckett said last night that he did not think the group was vulnerable to a takeover.

He added: "We are not interested in being taken over. We shall now be consulting with our advisers as to what is the proper course of action".

Boost for High streets from January sales

By Our Economic Editor

The January sales boosted trade in the High Street by 1 per cent after the December downturn. At the same time hire purchase and other credit business picked up as shoppers took advantage of price reductions to buy consumer durables and other household goods.

Finance houses lent £402m in January compared to only £362m in December, and retailers boosted their lending to £259m after £231m in December.

The increases took lending by retailers to a higher level than at any time in 1979, but finance house lending was below the peak of the late autumn. Over the three months to January, the amount of new credit went up by 3 per cent compared to the previous three months.

Over the latest three-month period, average credit sales also rose by 3 per cent. The biggest increase was recorded for sales by durable goods shops, which boosted their credit sales by 7 per cent. There was a 4 per cent increase in sales by department stores, while the miscellaneous category which is comprised mainly of mail order businesses only recorded a 2 per cent increase in credit sales.

The figures suggest that consumer demand for credit held up reasonably well in January, pointing to continuing buoyancy in bank lending and suggesting that money supply figures will show further increases when published today.

However, the volume of retail business in January will disappoint some people who hoped that stores had had a bumper month during the January clearance sales. Clothing and footwear recorded 4 per cent gains in the three months to January over the previous three months whole sales by household goods retailers went up 3 per cent. Food sales went up by only 1 per cent.

All figures for the volume of sales are converted to constant prices to take out the effects of inflation. The figures were originally expected to be published in February

Private steel leads way

By Peter Hill
Industrial Editor

British Steel Corporation faces a long uphill battle in closing the efficiency gap between its operations and those of the independent steel producers once the present steel strike ends and assuming that the BSC can implement its retrenchment plans.

Although profit margins in the private sector have been the subject of increasing pressure over the past three years as wages have taken up an increased proportion of the industry's value growth, other indicators of the private sector's performance provide reasonable grounds for optimism.

According to a report* published yesterday the sales per employee, asset utilization, credit period and stock turnover in the private sector are "way ahead of the stricken BSC".

Although the private sector's average return on capital is only 11 per cent, the most efficient companies have levels of 20 per cent or more. According to the report, the independent steelmakers generate £130 of sales for every £100

Over the three year period 1976-79 the average sales of companies covered by the study increased by 24 per cent, although the main surge occurred in the first half of the period. The report noted that credit periods have been steadily reduced while companies with above average pay rates in the private sector have also managed to achieve above average productivity levels.

* Steel Producers, ICC Business Ratios, £65.

Barclay's automation

Automated banking moved a stage nearer yesterday when Barclays announced it was installing 6 counter terminals in 19 of its branches in Manchester, which will allow customers who are Barclaybank cardholders to withdraw up to £100 cash without a cheque book.

Engineering salaries

A salary survey conducted during January among members of the three major engineering institutions shows that since January, 1979, the median salaries of Civils have risen by 21 per cent, those of Electricals by 18.5 per cent and those of Mechanicals by 21 per cent.

Construction down

Construction output last year was 2 per cent down in value on 1978, according to figures published by the Department of the Environment. The largest drop was in the public housing sector, where output was 17 per cent down. New private housing was 7 per cent lower.

Turkey to get big bridging loan from West

Peter Norman Basle March 10

Western central bankers appear to have agreed in principle to grant Turkey a big bridging loan in advance of international financial aid at present being arranged by Herr Hans Matthöfer, the West German Finance Minister.

Mr Ismail Hakki Aydinoglue, president of the Central Bank of Turkey, was understood to have received assurances today from fellow central bank governors at their monthly meeting in Basle, that the funds will be available possibly in the coming week.

It was estimated that the central banks would contribute between $500m and $600m, although no precise figure can be put on the loan until there is a better idea of the total volume of Western aid destined for Turkey this year.

Herr Matthöfer is hoping that the details of his aid package will be finalized in time for a pledging conference in Paris on March 26.

He is attempting to produce a package that is larger than the $960m of international aid agreed in 1979. Germany has indicated that it expects to pay more than the $200m contributed last year, but the final volume will depend crucially on the amount pledged by the United States.

Confronting the central bank governors today were a series of reports on the Euromarkets that had been drawn up by their experts under the auspices of the Bank for International Settlements over the past few months.

It is understood that a general consensus emerged on the need for close surveillance of the banks operating in the market as well as on the desirability of the introduction of consolidated balance sheets for Euro banks.

But the central bank governors apparently intend to discuss the matter further. Tentative plans to issue a communiqué after today's meeting were shelved, suggesting that the issue will be on the agenda again in April.

The worldwide rise in interest rates also formed an important part of today's discussions. Mr Paul Volcker, the chairman of the United States Federal Reserve Board, was on hand to explain United States monetary policy.

However, the bankers were in no position to make hard and fast decisions in view of the anti-inflation programme at present being drawn up by President Carter.

Recent United States interest rate increases have created serious problems for other monetary authorities.

The traditionally hard currency nations of west Germany and Switzerland have been forced to follow suit with increases in their own interest rates but the dollar has still been gaining strongly against the Deutsche mark and Swiss Franc on foreign exchange markets.

The inability of central banks to control this upwards movement of the dollar can be measured by the scale of recent intervention to hold it down.

Dollar sales in Frankfurt today were believed to be in the order of several hundred millions while last week German Federal Bank dollar sales to support the mark could be counted in thousands of millions.

PRICE CHANGES

Rises

Anderson Strath	4p to 76½p	Hampton Gold	10p to 353p
Audiotronic	1p to 8p	Jarvis J.	6p to 110p
Bambers Stores	4p to 97p	May & Hassell	8p to 100p
Concord R'Flex	5p to 24p	Rosgill Hlds	1p to 24p
Gibbs A.	5p to 85p	Royal Worcs	5p to 205p

Falls

Allen H & Ross	15p to 298p	Lasmo	23p to 448p
Bk of NSW	14p to 155p	MIM Hlds	13p to 245p
Bracken Mines	30p to 480p	Newman Ind	7p to 49p
Grootvlei	63p to 875p	Nthgate Exlor	2p to 470p
Guthrie Corp	25p to 755p	Oxley Printing	3p to 36p

THE POUND

	Bank buys	Bank sells		Bank buys	Bank sells
Australia $	2.06	2.01	Norway Kr	11.50	11.00
Austria Sch	29.60	28.10	Portugal Esc	111.00	105.00
Belgium Fr	69.25	65.75	South Africa Rd	1.87	1.74
Canada $	2.62	2.55	Spain Pta	153.00	146.00
Denmark Kr	12.93	12.38	Sweden Kr	9.83	9.43
Finland Mkk	8.80	8.46	Switzerland Fr	4.01	3.79
France Fr	9.65	9.25	USA $	2.27	2.21
Germany Dm	4.19	3.97	Yugoslavia Dnr	52.50	49.50
Greece Dr	90.00	85.00			
Hongkong $	11.35	10.75			
Ireland Pd	1.11	1.07			
Italy Lira	1930.00	1840.00			
Japan Yn	573.00	548.00			
Netherlands Gld	4.58	4.35			

Rates for small denomination bank notes only, as supplied yesterday by Barclays Bank International Ltd. Different rates apply to travellers' cheques and other foreign currency business.

Timex to create 850 new jobs in Dundee

£2.7m state aid for 3-D cameras

A joint venture with £2.7m Government backing to manufacture a revolutionary three-dimensional (3-D) camera at Timex watches factory, in Dundee will bring 850 new jobs to Scotland over the next four years.

The jobs will be the result of a project in which Timex will manufacture a new design of camera for a company called Nimslo which has ambitions to be the first manufacturer to produce a device able to take three-dimensional photographs for the amateur user.

Nimslo, which was established with £3m City capital, has 60 per cent American ownership. The company maintains that it has been concerned with the development of three-dimensional photography for the past 10 years but its latest design, incorporating new technology, will bring the camera on the market for about £90.

Dr Jerry Nims and Mr Allen Lo, who are co-founders of the company from whom its name is derived, have been actively looking for a site around the world but made their decision in favour of Dundee where the present level of unemployment is 9.9 per cent.

The Government, according to Mr Alex Fletcher, Minister for Industry at the Scottish Office, was "pleased to offer financial assistance to the project and to relate that support to the build-up of employment and investment".

The Government aid comprises a grant of £1.8m for capital investment for the purchase of machinery to make cameras and £900,000 in the form of regional development grant. The entire amount will be reclaimed after a £12m investment by the company.

Nimslo claims that its design is completely revolutionary and was developed largely in Hong Kong at a cost of $3m (£1.3m). The overall consumer camera market could be worth $28,000m (£12,174m) by 1985, three per cent of which would allow Nimslo to manufacture in excess of 200,000 cameras a year by 1981 and possibly several times that by the mid-1980s.

Nimslo emphasizes that what it has patented and what it is marketing is a new system

Nimslo says that the processing in its project is completely computerized. The processing paper contains a number of minute lenses that reflect the light giving the 3-D effect and that ordinary 35 mm film could be used in the camera.

Bill Johnstone

M Barre favours 20 pc cuts

In a move designed to put a brake on public spending in France, M Raymond Barre, the Prime Minister has written to all his ministers urging them to consider a reduction of 20 per cent in their projected investment programme for 1981.

He also suggests that operating expenditure in the civil service *should not increase in 1981* in value terms, meaning a decline of at least 10 per cent in real terms, if inflation continues at its present rhythm.

Leipzig fair opens

The *Leipzig Spring Fair*, a major East-West trade fair featuring around 9,000 exhibitors from over 60 countries opened on Sunday with participants saying the business climate between Western and Communist countries has not been affected by the Afghanistan crisis.

New coal shafts

Ten new shafts are being sunk at coal mines in eastern China to supply fuel for the Baoshan iron and steel complex being built near *Shanghai* by Nippon Steel Corporation, the *New China News Agency* says in Peking.

Gulf says 'no sale'

Gulf Oil Corporation says in Pittsburgh it has decided not to sell its Los Angeles-based refining and marketing properties and has terminated discussions with interested parties in the interests of the corporation and its shareholders.

Oil swap proposal

Kuwait has proposed a crude oil swap arrangement with Malaysia, the National Malaysian news agency *Bernama*, says in a *report from Kuwait*. Each country would provide types of crude not obtainable in the other territory.

Foreign cars in Japan

Sales of foreign cars in Japan rose 25.3 per cent to 3,914 units in February from 3,123 units in January, the Japan Automobile Importers' Association say. February's total, however, represents a 17.9 per cent drop from the like year-earlier month.

Contractors say industry is getting away with 'legalized murder'

Cement makers defend pricing arrangements

Cement makers yesterday defended themselves against criticism from contractors that their common pricing arrangements amounted to a "price ring" which allowed the industry to get away with "legalized murder".

According to the Cement Makers' Federation (CMF), comprising six of the seven producers in Britain, the 24 per cent price increase announced last month would have been much larger but for the moderating influence of the independent costs committee.

This body, chaired by Mr Leo Russell, assesses proposed increases from an independent standpoint, the federation *explained*.

The amount of the increase and the length of notice given—only two weeks—incensed the Federation of Civil Engineering Contractors (FCEC), whose members are among the largest customers for cement.

Later today, the two federations will meet to discuss the increase. There appears to be virtually no chance of it being modified, but the contractors believe they may be able to influence the future behaviour of the federation in fixing and announcing price increases.

Mr Henry Pinnock, director of the CMF, said yesterday that he regretted that the contractors *had expressed views about* the increases in advance of today's meeting.

He added that the notice given was determined by the fact that details of the increase in the price of coal—an important determinant of cement prices—were not available until the day before the cement price increase decision was reached. "The notice given was, in fact, not out of line with the notice given for increases over past years."

The civil engineers, however, remain unimpressed. Yesterday, Sir Maurice Laing, *president of the FCEC*, urged the Government to ensure that free competition prevailed.

"Why are the cement makers permitted to continue their monopolistic pricing policies, and why are they not subject to the freedom of the market?

"The very nature of the pricing agreement is to protect the least efficient producers, leaving the more efficient to benefit from even higher margins. That is not free enterprise."

Sir Maurice added that it was unreasonable for the favoured position of the cement makers to be maintained.

The contractors *have already* said that they intend asking Mr John Nott, Secretary of State for Trade, to examine the continued justification for the pricing arrangements.

There are only seven producers of Portland cement in the United Kingdom. Of these, *Blue Circle*, with almost two thirds of the total market, Rugby Portland, Tunnel Holdings, Ribblesdale Cement, Ketton Portland and Aberthaw Bristol Channel Portland Cement are represented in the CMF, through which a common pricing arrangement has been operated for more than 30 years. The seventh company, ICI, markets its cement through Blue Circle.

The cartel has successfully resisted challenges in the Restrictive Practices Court on two occasions, the most recent in 1973. Specific price rises have also been examined through the Price Commission.

Mr Pinnock said yesterday that the possibility of having again to justify the arrangements was something the CMF lived with.

John Huxley

Managers losing out in job moves

By Patricia Tisdall
Management Correspondent

Managers may not realize that they are likely to lose out on their pension entitlements *because of job moves. A survey* published by the British Institute of Management yesterday shows that two-thirds of managers are likely to retire with pensions which are only about half the full entitlement.

This is because managerial mobility has been increasing to such an extent that managers now expect to change employers three times on average compared with 1.4 times 30 years ago. Only 10 per cent spend all their working lives with one employer and so very few are likely to remain in the same job long enough to earn the full pension of two-thirds final salary which is provided by most occupational schemes.

While managers may expect some devaluation of real pension benefits when they change employers, the devaluation which occurs is sometimes considerably greater than expected.

A manager who has changed employers five times during his career, for example, could expect to get only 34 per cent of his salary on retirement compared with the 66 per cent received by one who stayed with a single employer.

The BIM suggests that managers should get more advice

Armed with more information, managers could then either seek compensation from their new employer or "top up" their pension after the move either to an occupational or to *an independent scheme.*

Fairey Engineering to market and then make Italian industrial robots

Increasing interest by United Kingdom companies in industrial robots has been reflected in two recent deals. Fairey Engineering is to market and eventually manufacture a range of automation systems designed by six Italian manufacturers; and SPL International, the London software house, has linked with Remek Micro Electronics of Milton Keynes to set up a jointly owned company to be known as *British Robotic* Systems.

The Fairey deal has been negotiated by Fairey Holdings on behalf of its Stockport-based Fairey Engineering subsidiary. A spokesman for the group yesterday declined to identify the Italian companies, but said they were well-known robotic manufacturers.

Their products include automation systems and robots for welding, *spraying*, assembly, press feeding and general handling for machine tools and diecasting. In the first stage of the agreements Fairey will market and possibly assemble the machines from components supplied by the Italian companies.

Eventually most of the robots will be manufactured by a new Fairey company soon to be formed for this purpose.

Mr John Parsons, managing director of Fairey Engineering, expects "an enormous increase" in the demand for industrial robots over the next few years. Robots designed for specialized applications, he argues, will be more reliable and more economic than those designed for universal use.

Technology News

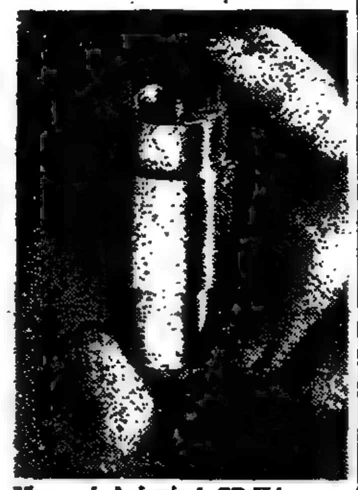
British Robotic Systems, the SPL/Remek joint venture, will implement integrated assembly robotic systems for the low-volume batch manufacturing industries. It claims to be "the first British company to apply an overall systems approach to the developing market for advanced automation".

Mr Vincent Willis, a director of SPL, will be managing director of British Robotic Systems. Both parent companies have been approaching the area of robotics in recent work, Remek in electromechanical systems and SPL in process-control software and distributed computing systems.

As with Fairey's Italian connexion, the new SPL/Remek company will aim at systems which are dedicated to specific operations, in this case in the field of automated assembly.

Marconi 10,000th gyro

The successful British development of an original American high-technology product was marked recently by the delivery of the 10,000th example of Marconi Avionics' GR-H4 gyroscope to the Ministry of Defence at the company's Rochester, Kent, factory.



Marconi Avionics' GR-H4 gyroscope (above), not much bigger than a thumb is widely used to stabilize and guide aircraft, missiles and other vehicles. The 10,000th to be made, recently handed over, was for the radar guidance system of a Sky Flash missile.

Production of this small, precision gyro—used to stabilise and guide a variety of missiles, aircraft and other vehicles—began 15 years ago under licence from Northrop Corporation, Los Angeles. Since then the performance of the unit has been improved and the cost of producing it has been cut to between one-half and one-third of the original figure.

Dr Bernard O'Kane, chairman of Marconi Avionics, said at the recent handing-over of the 10,000th unit that the GR-H4 could withstand sustained high accelerations—such as nine or more times the acceleration due to gravity (9g or more) in a maneouvring combat aircraft, rising to 40g during the launch of a missile, and even g-forces measured in hundreds during high shock loads.

Mr Alan Essex, manager of the company's gyro division, said that the GR-H4 was a precision, sub-miniature rate gyro. In other words, it measured the angular rotation about one axis, and was just about as small as could be achieved for the required performnce.

The unit could withstand temperatures from −54° C to +100° C and shocks up to 500g. Combinations of gyros and accelerometers were used for stabilization and guidance: two rate gyros could stabilize the homing system of a missile, for example, or three rate gyros fixed rigidly to the structure could guide a missile or other vehicle.

Natural plastics

Arange of new plastics derived from naturally occurring, replenishable sources such as leaves, cornstalks, sugar cane and beet is being developed by a research team at Manchester University Institute of Science and Technology (UMIST).

The research, which will be supported by a £113,000 grant from hte Wolfson Foundation, has been prompted by the large rise in the cost of producing polymers from hydrocarbons, the main feedsotck. Members of UMIST's polymer and fibre science department believe that the production of polymeric materials from cellulose and its derivatives will become increasingly feasible, both commercially and technologically.

Recent developments in cellulose chemistry have shown that high yields of glucose are possible from alpha cellulose in agricultural residues. This can be treated to produce cellodextrins, water-soluble polymers, and glucose, without the formation of other undesirable side-products.

The team is also investigating ways *in which the polymer*, when synthesized, usually in pellet or powder form, can be formed into a useful article.

Part of the grant is being used to design and evaluate small-scale reinforced reaction injection moulding (RRIM) equipment. This is a relatively new process offering the advantage of simultaneously converting liquid monomers into a fabricated polymeric article. Research is being pursued to develop non-oil-based source *chemicals suitable for the RRIM* process.

UMIST believes that these plastics and RRIM equipment, with their large energy-saving potential, have significant commercial application in many industries. Interested companies include BL, Blue Circle, Engineering Services Urethane, Pilkingtons and Tate & Lyle.

Kenneth Owen and John Huxley

LETTERS TO THE EDITOR

Industry's double burden: high interest rates and a strong £

From the general secretary of the National Union of Tailors and Garment Workers.

Sir, Rosemary Brown's answers to her own question about what has gone wrong with the clothing industry this winter (*The Times*, February 28), touched briefly on the impact of value added tax and low-cost imports, but ignored perhaps the most significant factors—high interest rates and the unrealistic strength of sterling.

Manufacturing industry can only remain competitive and improve its efficiency if finance for investment is available at reasonable cost. Present interest rates are completely unrealistic, particularly for the smaller manufacturer in an industry such as clothing. There is *clearly a strong case for the* introduction of preferential interest rates for manufacturing industry to prevent it from being crushed out of existence.

The Government also needs to act on exchange rates. It has been widely recognized that sterling is still overvalued by any thing from 25 to 40 per cent, while the currencies of competitor nations are, *in many* cases, undervalued. Recent devaluations in South-east Asia will have a considerable impact on trade with the United Kingdom, particularly in areas such as low-cost clothing. Even high-cost countries are at a relative advantage. A recent United States assessment judged that the dollar was undervalued by some 20 per cent.

If the industry is not to go to the wall the Chancellor, in his coming Budget, must give consideration to the removal of value added tax from all clothing. After all, garments, like food and shelter, are one of life's essentials. This would also eliminate the anomaly *whereby VAT is payable on* some children's clothing and not on others—the "teenage VAT" which Rosemary Brown describes as a "contentious issue".

The United Kingdom clothing industry has proved in the past that given the right economic environment it can not only survive but also prosper. Pro*ductivity* has *improved* at a much faster rate than for manu facturing industry as a whole and it is widely recognized that industrial relations are good.

Given these advantages, it *incumbent on the Governmen* to act on those items so dama ging to the industry, at the present time, namely VAT interest rates, imports and th unrealistic strength of sterling

Such action would give u *not a rag trade in tatters* bu a clothing industry on a secure footing, investing more, pro ducing more and selling more thereby providing better secu rity, remuneration and pros pects for all its employees.

Yours faithfully,
ALEC SMITH,
General Secretary,
National Union of Tailors and Garment Workers,
Radlett House,
West Hill,
Aspley Guise,
Milton Keynes, MK17 8DT.

Why all is not gloom in the Amazon forests

From Mr John Pitt

Sir, Why must so many articles such as "The Private Amazon Kingdom of Mr Daniel K. Ludwig" (February 27) start on a depressing *note*? *Would* it not have been better to have begun with the last part of paragraph 3, "Mr Ludwig's forestry experts will plant nine million trees over the next year" and then *give the reason for doing this*?

Later on in the article reference is made to the many university students met who "were . . . implacably opposed to the Jari scheme". Having worked for five years in the *late 1950s in the Amazon* forests for the UN Food and Agriculture Organization, I can confirm that many of the forest trees are not of economic value —some certainly because of the vast distances to even local *markets; this is why Jari is replacing* them by faster growing more useful species.

Having been asked, while a lecturer in forestry at Oxford in the mid 1960s, to initiate the Jari project—an assignment which I was unable to take up because of my teaching commitments—and having introduced *Gmelina*, Caribbean pine and *Euc. deglupta*, along with some 40 other exotic species in small trial plots up the Amazon, I have followed the Jari project with very great interest. It should be mentioned that other facets of the project include rice growing and raising animals on areas not under forest and on sites unsuitable for major afforestation.

Foresters are well aware of the arguments against large scale monoculture. In the early phases of the project, Jari twice referred a potential problem of a disease and of a pest to the Commonwealth Forestry Institute at Oxford and my colleagues went out to advise on these. Jari certainly is on its toes and ready to nip any potential epidemics in the bud.

I think the writer of your article does Mr Ludwig an injustice when saying that the scheme, *inter alia*, was "to add to his already considerable fortune". As I understood at the time, Mr Ludwig saw a formidable challenge for a project which he wished to initiate to show what might be done in a *tropical area without* being really concerned whether or not the project made a lot of money. I am sure this was not an important consideration in *his arguments* for establishing the project.

Can we not, therefore, have more positive and cheerful comments instead of "voices of doom" so characteristic of the openings of some journalists, particularly when writing these days on ecological subjects? Three million acres is really a very small proportion of the area of even just the Brazilian Amazon.

Yours faithfully,
JOHN PITT,
Editor/Secretary,
Commonwealth Forestry Association,
11 Keble Road,
Oxford, OX1 3QG
February 29.

From Mr J. L. Brandler

Sir, Apropos your article on Daniel Ludwig's enterprise in Brazil (February 27), *Gnelina* is not a native Nigerian tree, it was introduced into the country by far-seeing forestry officers 30 years ago or less.

As it happens my company, Cross River Mills, was involved in a small way in Ludwig's first experiments with this tree, in Eastern Nigeria. Your article really does not do his venture justice; it is an enormous affair which deserves far fuller description of all that is involved.

This kind of sniping at entrepreneurs is really too easy. He may be right in his conception and he may be wrong but he cannot be shot down in a few words.

Incidentally if your reporter travelled from Iquitos in Peru to Belem in Brazil he went down the Amazon not up.

J. L. BRANDLER,
6 McPherson Avenue,
Ikoyi,
PO Box 471,
Lagos.
February 29.

Praise due to credit cards

From Mr Roger Baker

Sir, The pros and cons of cred cards are not quite as Mr Davi Jackson (March 3) sees the The credit card is now in mo purchasing situations the on means of obtaining a writte receipt, thus enabling a buy to pursue a complaint effe tively. It discourages crin against the person with robbe as chief motive.

It makes possible purcha of *considerable scale* witho waiting for cheque clearan (to the point that the cheque now treated as a monetary lep on a personal-purchase leve try buying an airline ticket l cheque) and eliminating t *risk of carrying or losing* la amounts of cash. Lastly, it pr vides up to seven weeks' in credit when used at *the* be time.

Naturally it can mean troub when used irresponsibly, b *the same foolish people* w incur excessive debt throu using credit cards would ju as easily sign their lives aw on "easy terms". Should not stop wet-nursing the publ over spending and allow the the *only real opportunity* learning the proper use money—through making the own mistakes?

Yours faithfully,
ROGER BAKER,
23 Northfleet Close,
Vinters Park,
Maidstone, ME14 5QD.

Energy saving alternatives

From Mr J. H. Birch

Sir, I was surprised that t letter (March 4 from membe of the Energy Centre, Ne castle upon Tyne, on nucle energy power generation shou have referred to the loss energy resources to river ar sea from power stations as we as the cost of cooling tower without mentioning the co servation of these resources combining heat and pow operation of these stations.

The Marshall Committee R port No 35, for example, co mends the introduction combined heating and pow with district heating and demo strates that in every connexio of a building to CHP, some to 85 per cent of the energ currently being used by th building would be saved.

Such energy saving dwar the potential savings from a other "alternative" savings, i cluding insulation, without th need to develop new technol gies. In the context of combine heating and power with distric heating, the differences i efficiency between AGR an PWR stations would have rel tively little significance.

Yours faithfully,
J. H. BIRCH,
Vice-Chairman,
District Heating Association,
Bedford House,
Stafford Road,
Caterham,
Surrey CR2 6JA.

Bondholders' guarantees

From Mr David Gibb

Sir, Over the past few weeks the press has been continually informing bondholders and would-be bondholders about the advantages and disadvantages of income/growth bonds.

These bonds have been issued by several life offices "guaranteeing" certain rates of return. The bonds are purchased by initially making a lump sum investment. The rates of return are attractive and one of the reasons for this is the tax relief given at certain stages during the life of the bond. If the tax relief rate is reduced or cut altogether the press keep telling us that the return will not be so attractive. The life offices keep quiet. Everyone assumes that the bondholder will suffer. Need this be so?

Some policies state in their conditions that the life office reserves the right to modify the benefits if it considers it necessary, to take account of the tax relief changes. It probably also reserves the right to modify the benefits should the rules on "clawback" be changed.

If these life offices are "guaranteeing" something then surely they should "guarantee" it. If none of them are prepared to comment on their likely course of action then may I suggest they replace their ceceptive wording by "estimated"?

Yours faithfully,
DAVID GIBB
99, Lemonfield Drive,
Garston,
Watford,
Hertfordshire WD2 7NP.
February 28.

UK's microchip opportunities

From Mr F. J. Fahy

Sir, It would appear from *recent announcements by the* present and former governments, that the politicians have been advised by their scientific counsellors that Britain should invest heavily in the development of microelectronic circuit (chip) design and manufacturing facilities. I fear that this may be yet another example of the disease of national conceit which led so many recently to deprecate the manufacture of Japanese designed cars in this country; the "not invented here" syndrome.

It makes no sense at all to invest money and brains in trying to compete with the American chip manufacturers, between whom competition is so fierce that the costs of their *products are continuously falling*, especially since we would need to purchase foreign plant, equipment and raw materials.

Why on earth should we not simply buy American chips and invest in our national ability to innovate in the field of chip application? If we really have any novel ideas in basic chip development we can always sell them to the foreign manufacturers. The design and manufacture of robot production, plant, inspection and testing machines, construction equipment, stock-handling and storage facilities, mining equipment, agricultural and horticultural plant and machinery, to mention but a few areas of application, would provide employment for a large number of people, and utilize a wide range of manufacturing skills *and* capacity of British industry. We can, and must, develop and export such applications if we are to survive and flourish as an industrial nation.

The current sad state of affairs was illustrated by a recent television programme in which it was revealed that, although we have manufacturers, there are only about 100 robot assembly machines in operation, compared with 4,000 in Japan, 2,000 in America and 600 in West Germany. Soon we *shall not be able to compete* at all with foreign manufacturers assembling goods using robot assembly lines. We could, and should, be in a position to sell them British manufactured machines at prices lower than the Americans and Japanese. More important, we should be able to offer machines which are not available from these sources.

In Britain it seems we are approaching the problem of adapting to the chip age with a predictable mixture of fear, scepticism and the aforementioned conceit, instead of anticipating and grasping the opportunities with relish. The unions need only fear the chip if they and the Government do not together take a positive, energetic and logical attitude to the inevitable chip revolution, and promote investment in what we do best, namely *innovate*, *not* in childishly trying to compete with others for the sake of national pride, a policy which has led to so many conspicuously expensive and unsuccessful ventures.

I do hope that the advisers responsible for the investment plan can give your readers an assurance that ministry research establishments, in cooperation with the Confederation of British Industry and potential manufacturers, are busily engaged on intensive programmes to identify and develop the many possibilities of chip application in order to form a sound basis for the investment of funds on the scale appropriate to the challenge and the opportunity. If not, why not?

Yours faithfully,
F. J. FAHY,
23 Treeside Road,
Shirley,
Southampton SO1 5FY.
February 27.

BY THE FINANCIAL EDITOR

Judging the dollar's turn

ıe dollar continued to gain strength in the ·reign exchange markets yesterday, moving ·irly decisively above the DM 1.80 level. ·ore striking, however, was the advance ·ainst gold. With the movement back into ·igh) interest-bearing paper gaining ·omentum, the bullion price slid sharply, ·ith the downward movement doubtless ·ded and abetted by short-selling. In late ·alings in London last night the price was ·wn to around the $570 level for a fall of ·ore than $40 on the day.

Meanwhile, the question that has to · asked is whether we now have a genuine ·rning point in the dollar's fortunes or ·erely a giant bull trap. The prospect of ·rther anti-inflationary medicine from the ·arter Administration and talk of prime ·tes going to 19-20 per cent are one thing. ·ore important, perhaps, is the strength of ·th the Administration's and the Federal ·eserve's resolve to keep the screws tight ·r long enough to make a real and lasting ·pact on inflation. Past experience sug·sts there are no particular grounds for ·nfidence.

A common thread between the United ·ates and the United Kingdom at the ·oment is the length of time it is taking for ·e recession to set in. Yesterday's figures ·ggesting relatively buoyant retail sales in ·nuary were hardly the stuff of which ·cessions are made, and there was precious ·tle sign of recessionary influences trim·ing the rate of rise in wholesale prices ·ther. On the face of it, these economic ·dicators are rather difficult to reconcile ·ith the relatively good February bank lend·g figures that the market seems to be ·pecting this afternoon.

·urniture

·epessed ·atings

·lore than doubled interim profits from ·arker Knoll yesterday, up from £1m to ·.06m pre-tax, provided a rare bright note · the furniture manufacturing sector push·g the shares up 12p to 110p.

Ratings in the sector are depressed in ·ticipation of a fall in furniture sales ·lume in 1980 as consumer spending comes ·der pressure, the introduction of trouble·me new fire regulations and a deteriorat·g trade balance.

The prime victims will be the downmarket ·anufacturers, where margins are slimmer ·d the greater dependence on oil-based ·nthetic materials means higher costs and ·ore expense complying with the new fire ·les.

Christie-Tyler, for instance, follows the ·cle like a yo-yo and 1979-80 pre-tax profits ·uld fall by as much as two-fifths to ·.6m. The shares at 67p are more or less ·scounting as much yielding 14.3 per cent · a maintained final dividend which looks ·ely in view of the near two times cover ·d a strong balance sheet.

Shareholders in Christie-Tyler then can ·obably sit out the cyclical trough without ·orrying about a cut in the dividend. Parker ·noll or Stag Furniture however are more ·citing prospects. Both operate at the top ·d of the market.

Parker Knoll's further diversification ·to textiles (now 60 per cent of profits) is ·ying off and 1979-80 profits should ·proach £3½m pre-tax to give a fully-taxed ·/e ratio of only 4½ and likely yield of ·st over 9 per cent.

Stag meanwhile trades on a prospective ·/e ratio of about 4.3 at 178p and a yield · 6.2 per cent although a sizable rise in ·e final dividend looks likely.

Both Parker and Stag have rock solid ·alance sheets—Parker should have net ·sh of nearly £2m by the year-end—and the ·oubles of the other furniture makers seem · have unduly depressed their share rat·gs, although Parker would endear itself ·ore to investors if it did away with its non·ting share structure.

·olls-Royce Motors

·olding the ·ividend

· has been a ghastly year for Rolls-Royce ·otors. Profits have collapsed from £14.6m · only £7.1m reflecting the loss of the ·anian battle tank engine contract; the ·ngineering strike, poor underlying demand ·r industrial diesels, much higher interest charges and the strength of sterling. Yet the dividend is maintained, and just about covered by current cost earnings.

Rolls then is taking the view that this is the worst, though the shares, at 65p, remain a gamble on the length and seriousness of the oncoming recession even if a yield of 12 per cent is some comfort.

Much of the damage inflicted last year was exceptional. Rolls could hardly have foreseen the loss of its Iranian tank engine business, though the difficulty that this presented was compounded by the fact that a Government-funded factory for the big V12 engines led the company into developing smaller engine versions on its own account. Quite simply Rolls now has a splendid factory capable of producing what it reckons is the best battle tank engine available, but so far very few firm customers for it. That situation may change; promising negotiations are under way.

On the industrial diesel side, meanwhile, demand remains slack though Rolls is better able to cope with this following rationalization—at a cost of £750,000 and 750 people. Car manufacture, which in spite of the engineering dispute (which alone cost the group profits of at least £5m) remains promising, though there is natural caution about the future level of demand for cars as costly as these, even in the important North American market. Nevertheless, waiting lists extend for about a year. That leaves aerospace components, which performed splendidly last year and continue to do so.

The bullish view of Rolls is that it will be able to capitalize on the very heavy investment programme of the past four years, which includes plans for a new four-door successor to the Silver Shadow shortly. Moreover, if sterling has now peaked—which seems possible—this will help Rolls' sensitive export markets.

My view though is that recovery could continue to test the patience of shareholders for a couple of years; the damage caused by the loss of the Iran contract is serious and the group's 70 per cent gearing looks on the high side for a business with a vulnerable product range going into a recession.

Lloyds

When the downturn comes...

After the clamour about banking profits, the Lloyds Bank annual report, the first one from the clearers, strikes a more sober note. It now appears that Lloyds has only managed to keep its balance sheet strength intact with the ratio of free capital to reserves at 4.5 per cent just a shade better than last time.

If the "ominous" outlook for the economy predicted by Sir Jeremy Morse comes about, then this important ratio could deteriorate when interest rates begin to fall just as the recession, and its cohort of bankruptcies, bites hard. It would not be surprising if in a couple of years time, the capital hungry banks have to raise new money to bolster their resources. Market expectations point that way with shares standing on p/e ratios of around 3, less than half the market average, although yields have now started to catch up.

The market also seems to believe that the Government will get on top of inflation at some point over the next year, something which would do no good to banking profitability. As Sir Jeremy explains, rapid inflation is bad for the banks because customers run down their savings and switch out of current accounts, low interest rates are no panacea either because retail banking is hit by the squeeze on profit margins.

Last year the level of interest bearing deposits at Lloyds rose from 45 per cent to 55 per cent and with the base rate hike to 17 per cent in November further switching has probably taken place recently.

Bankers are traditionally in the first row of economy watchers. They now see that high interest rates have trimmed the appetite of private customers. Companies however are still borrowing to finance stocks and increased costs and overdraft utilization is high.

So with a pile up of bad debts ahead and a relatively poor profits outlook, bank shares could be vulnerable. As it is, they provide a reasonable yield and a great deal of safety for the testing times ahead.

Peter Hill

Industry braces itself for a long struggle

Nearly a hundred of Britain's entrepreneurs and their wives attended a reception at 10 Downing Street last week.

The occasion provided an opportunity for Mrs Thatcher and her Industry Secretary, Sir Keith Joseph, to weave in and out of the crowd in search of some solace from the men whose companies represent the very essence of energy, drive, dynamism and success so cherished by the Conservative Party.

But while the Government's firm and undying commitment to the monetarist approach to economic management undoubtedly has broad support from businessmen, the loyalties of the guests at Downing Street were clearly under growing strain.

They appreciate the need to bring down the rate of inflation, boost productivity and promote greater efficiency in manufacturing industry. But there is now an acknowledgment that single-minded adherence to the monetarist philosophy is not going to realize those aspirations overnight. Meanwhile the policies are hurting.

Manufacturing industry is already facing enormous pressure and the latest economic assessments (this week's Cambridge Econometrics forecasts underlined the message) indicate that the recession, which is now very much in evidence, is going to be one of the most severe for many years.

Industry's cash flow has been reduced by about £1,500 million as a result of the record leap in minimum lending rate (MLR) from 12 to 17 per cent. Demand in key sectors is down. Profits are sliding and the erosion of industry's competitiveness continues apace.

Sharply rising costs and the strength of sterling buoyed by North Sea oil and gas have exacerbated problems already arising from the high level of interest rates.

British industry's competitiveness has been reduced by about

> Severest recession for years

60 per cent between 1976 and the middle of January this year according to calculations made by the Confederation of British Industry.

Net borrowing by the corporate sector could reach about £8,000 million this year, more than three and a half times the level of two years ago, and the pre-tax rate of return (excluding the oil sector) may drop below 2 per cent compared with 4.75 per cent two years ago and 3.5 per cent last year.

Latest indicators suggest that a further twist in the spiral will follow in the coming months with industry's costs of raw materials and fuels rising last month by 2 per cent and factory gate prices by 1.5 per cent.

Over the past 12 months the rate of wholesale price inflation has risen by 18.2 per cent. The outlook in the short term is one of almost unrelieved gloom and in the longer term the prospects are far from bright: industrial investment in plant and building expected to fall over the next two years and there may well be a further decline in the competitiveness of British exports.

The tight monetary policy will be maintained and industry is now reconciled to sitting back and gritting its teeth. One aspect of Government policy which has been thrown into high relief in recent months has been Sir eith Joseph's steadfast dedication to non-intervention.

The steel strike, now about to enter its 11th week, represents the distillation of the Joseph philosophy. He wants to create a climate in which businesses become more efficient; while the short-term pain may be considerable the long-term benefits he argues, will be enormous.

British Steel, faced with the ministerial edict that there will be no more taxpayer's cash to fund wage rises or cover the debilitating losses, has heeded the Industry Secretary's warnings.

BSC shows no sign of moving from the government line and despite the agonizing of Sir Keith over the scale of the social problems involved, looks as though it may win through.

Significantly there has been no clamour from the bulk of steel-using industries for BSC to settle on anything other than the terms it has outlined and which will require a drastic slimming of its labour force.

Like all governments this one has allowed an element of pragmatism to creep into its policies. The National Enterprise Board, scaled down in its operation, will remain to fulfil a catalytic and and formative

> Monetary policy will be maintained

role in the creation of the right conditions in which enterprise can flourish.

Similary, expediency has dictated that the manifesto commitments to hand parts of the state sector back to private ownership—shipbuilding is a prime example—have been delayed until the time is appropriate.

But the main thrust of Sir Keith's policies is still much to the liking of the free enterprise lobby. Moves are afoot to split the unwieldy Post Office into separate post and telecommunications businesses and plans are well advanced to introduce private capital into British Aerospace.

The worry is that in their desire to create the right conditions in which industry can flourish and move forward confidently into the final decade of this century, Sir Keith and the Chancellor may destroy too much, that deindustrialization rather than the reinvigoration of industry may result.

But the indications are that, for the moment, industrialists are prepared to play the game by Sir Keith's rules. It is recognized that the Chancellor has little room for manoeuvre to alleviate industry's problems in the short term.

The control of money supply, and a reduction of public sector borrowing leading hopefully to a reduction in interest rates, remains a preeminent feature of the Government's industrial policy.

Changes in capital transfer tax and corporation tax, and the abolition of the investment income surcharge are among industry's suggestions to the Chancellor for the next Budget.

There is perhaps some scope for a reduction in the employers' national insurance surcharge and some relief from tax levies on stocks reduced as a result of strikes. But these will represent relatively minor tinkering on the periphery of the corporate sector.

The scale of the potential damage if present policies fail is beyond doubt. For the moment, industry is prepared to back them and it will be some time, on present trends, before there is a change of course.

Britain's position as the world's greatest seafaring nation is long past. Below, Ronald Kershaw reports on the fishing industry and Michael Baily looks back on London docks' heyday

Will the fishing industry get state aid?

Mrs Thatcher will come face to face with angry and disillusioned vessel owners, fish merchants and trawlermen when she visits Hull on Friday.

Their message will be a simple one: That the British fishing industry in general and the deep sea sector in particular, has been shamefully neglected by successive governments while competing nations have protected and nurtured their fishing fleets; and that unless government aid is forthcoming, the British trawling industry will rapidly die.

If proof is needed, one should look at the Port of Hull and the decision of its Fishing Vessel Owners' Association to go into liquidation. The cause of the closure of Hull as a fishing port is that the trawler owners cannot afford the economic rate of £51 a ton to discharge their catches. This is the wharfage charge calculated on expected landings this year and compares with £6 a ton at most commercial ports.

Charges are high, partly because the number of vessels is low, but mainly because of the reduction in fish the remaining vessels are allowed to catch. If Hull vessels had the same opportunities as other EEC countries, legal or illegal, the port could become viable. The 130-strong trawler fleet of 18 months ago has shrunk to 26 freezer trawlers and four conventional vessels but even they do not have the chance to fish to their full capacity.

The trawling industry believes that Hull may signal the start of the collapse of the entire industry. At the risk of over-simplifying the problems, it may be said that British trawlers are not catching enough fish because they do not have enough access to enough fishing grounds, in spite of the fact that Britain has two thirds of the European fishing grounds. The most she has been offered so far is 23 per cent of EEC waters.

The course of Britain's trawlermen has never been an easy one to steer but their real problems started with the loss of Icelandic fishing four years ago. The British Fishing Federation points out that since then, Britain has seen most of its distant water fishing whittled away. In all cases the blame is laid squarely at the door of the EEC.

In United Kingdom waters, British trawlermen have observed restrictions to conserve stocks while other EEC fleets have consistently over-fished and added insult to injury by sailing to United Kingdom ports to land their catches at cut prices alongside other heavily subsidized fleets like that of Norway which has just announced £77m of aid for its industry. This allows it to depress quayside prices of British caught fish.

There are many other examples of Britain "playing the game" while others ignore the rules; it all adds up to financial ruin for United Kingdom fishermen.

Understandably, the British trawling industry believes that political decisions, principally within the EEC, have steered it into trouble and that it must be political action that steers it out of trouble. They have accepted the view that their salvation lies within the framework of a satisfactory common fisheries policy but lack of progress in this field erodes confidence in the will of successive governments to obtain a fair deal for Britain.

It is not surprising that Britain's trawlermen are turning to their government for succour. The French have fuel subsidies, the Danes have payments for laying up ships, the Germans have a generous payment system for a lay-up and scrap policy and the Dutch have a variety of subsidies helping them to modernize their fishing fleet.

It is accepted in Britain that changes in fishing grounds and in fishing methods are inevitable and that a restructuring of the fishing industry must take place. Restructuring must produce a balanced fleet of large and small vessels equipped to exploit a diversity of fish stocks.

The BFF says: "The immediate implication of an interim restructuring programme is the retention of a trawler fleet and in particular, the human skills on which it is based, as an essential foundation. This being the sector of the fleet in greatest jeopardy, it also implies some form of government assistance to keep ships and crews together."

A welcome move would be an extension to the scheme for financing exploratory voyages in search of new species in new fishing grounds. The Government has only scratched the surface here. It is also argued that modern trawlers at present out of work could be "mothballed" until better times with the cost borne by the Government.

It is felt that Britain should follow the lead of the Russians, the Americans and Canadians in building new processing ships but the British industry cannot finance such projects alone and, in truth, in an area of political uncertainty nobody would expect investment in new tonnage and new facilities.

Money appears never to be in short supply in other countries; indeed it is government money that is permitting exports to Britain of cut-price fish. Only last week, British trawlers cut the price of their catches to try to stop the increase in imports. Large cod was cut from £3.30 a stone to £2.80. Within 24 hours the price was being matched by continentals and smaller cod was being undercut.

This in itself is an indication of the financial support the European fishing industries are being given by their governments. The British knew they would take a loss but the Europeans were prepared to take an even greater loss to keep the market.

Mr George Younger, the Secretary of State for Scotland, told the House of Commons last week that government help was on its way for Britain's trawling industry. One hopes it is announced before Mrs Thatcher's visit to Hull and that it is not too little and too late. The BFF estimate that 6,000 jobs will be a risk from next month when the mackerel season ends and trawlers have nowhere else to go.

Waterfront search for a new identity

The Port of London is beginning to look like the 10 green bottles which one by one did accidentally fall.

With the closure of the India and Millwall docks only two—the Royals and Tilbury—will be left of the great string of dock systems that once spread along the Thames.

In its heyday before and after the Second World War the Port of London had more than 50,000 people handling 500 ships on a typical day in its many docks—the St Katherines, the London, Surrey Commercial, the West India, the Millwall, the Royal Albert, Royal Victoria, King George V and Tilbury.

There was also a host of riverside berths of which Hays Wharf in the Pool of London was perhaps best known.

Now the workforce of about 15,000 handles fewer than 100 ships a day in what remains after the closure and sale of docks brought about as the trend to bigger ships and faster turnround made the docks successively redundant.

First to go was the London and St Katherine by Tower Bridge, famous once for wine, dried fruit, rubber, timber and veneers and a multitude of exotic products arriving in relatively small ships.

It closed in 1968 and was sold to the Greater London Council for £1½m and shrewdly leased to Taylor Woodrow in a £25m deal that has blossomed into a flourishing complex of hotel, restaurants, marina, offices, houses and flats.

Near-derelict as a dock, it is becoming one of the show places of the City and a pace-maker for the river's future.

In 1970 the East India Dock was sold to the Central Electricity Generating Board ostensibly for a power station extension. There is still no sign of the project and the site is used as a container park.

The Surrey Commercial, once the haven for timber and other Baltic trades, closed in 1970 and was sold three years ago to the GLC and various boroughs which still have not decided what to do with it. Free port, Channel tunnel terminal, heliport, or commercial complex—its future is still wide open.

Now India and Millwall is to join them in what looks at first sight like a story of continuing decline.

But is it? As Mr Nigel Broackes ponders on the potential for docklands he can hardly fail to be aware of the rich reserves of land and manpower without which development cannot take place. Difficulties obviously lie in changing the living and working habits of this highly traditional area and community but no one can say the basic resources for a new future are not there.

At the port, the picture is not all black either. London is still Britain's top cargo port by tonnage if oil products are excluded.

With 17.5 million tons in 1978 it beat Liverpool into second place by a margin of 7.5 million tons. Grimsby and Immingham followed with 9.3 million tons, Tees and Hartlepool with 8.9 million, and Dover, Manchester, Felixstowe, Glasgow, Southampton and Hull all handled between 3 and 5 million.

The patterns are changing both within and between the ports. London's activity is now firmly centred on Tilbury (up from 0.5 million to 7 million tons in 20 years) and the lively and efficient private riverside berths.

Without taking too rosy a view, it is worth pointing out that appearances can be deceptive. What looks like decline can hold the seeds of future growth.

Business Diary: Power politics • Cut the crackle

·here will shortly be a vacancy ·r a new Permanent Secretary · the Department of Energy. ·espite the importance of ·nergy, the department itself ·ill languishes under its heri·ge of the old Ministry of Fuel ·d Power, overshadowed by the ·ivil Service heavyweights in ·e Treasury and the Foreign ·ffice. To a mandarin with an ·ye for the main chance, how·ver, it is not without potential.

John Liverman, the senior ·eputy secretary, is unlucky ·ever to have risen any higher. ·he department has never quite ·nked a second permanent sec·etary, although there was talk · one time of creating one. ·aving looked after offshore oil ·nd gas and sat on the British ·ational Oil Corporation board ·r the Government, Liverman · retiring this month some six ·onths early in order, it is said, ·r Sir Jack Rampton, the ·resent permanent secretary, to ·arrange duties before he him·lf goes in July.

Sir Jack has had a rather un·appy time at the department. · was no secret that he and ·nthony Wedgwood Benn, the ·revious energy secretary, did ·ot get on. Since the Conserva·ves came to power, he has had · suffer the unfortunate epi·ode of the Public Accounts ·ommittee criticism of the way ·rants were apportioned to the ·ffshore supplies industry.

Of the remaining department ·eputy secretaries, Philip Jones · the only real internal con·nder for the top job.

But after the offshore grants ·pisode an outside appointment · on the cards.

However, the Treasury may ·ave the last word and nomi·ate its own man.

London Transport must have scant regard for the feelings of the Fleet Street scribblers who make up a good deal of the traffic passing daily through nearby Chancery Lane tube station.

Amid the lingerie and swim wear advertisements fixed to the walls of the up-escalator tunnel there has appeared a hoary poster (pictured right) promoting the virtues of The Star. Not, I hasten to add, the Express Group's Daily Star, but the old News Chronicle's former London evening stablemate.

Like the News Chronicle, it sank in 1960, the titles going to Associated Newspapers, publishers of the Daily Mail and London Evening News. The 3,000 employees, overnight found themselves without a job, an episode of such shock and horror that mention of it guarantees a lump in the throat of Fleet Street veterans to this day.

Many of the hacks, however,

are still in Grub Street. If you saw a particularly miserable demeanour around the environs of Chancery Lane station yesterday it may have been one of them reminded, courtesy of London Transport, of that day 20 years ago.

● Industrial archaeology may have become popular only in recent years but its main paths are already sufficiently well trodden for devotees to begin exploring some of the more obscure by-ways and culs-de-sac.

Thus, the Gladstone Pottery Museum, at Longton, Stoke on Trent, is breaking new ground by holding the first seminar on the history of the design of Victorian telegraph insulators.

Francis Celoria, the museum director, explained that Victorian telegraphy was not merely the science fiction of the time coming true, but also the greatest leap forward in communications in history. Message transmission became almost instantaneous.

Ceramic insulators date back to the 1830s, and may still be found lying around alongside rail tracks and roads. After all, up to a dozen were used on telegraph poles, placed four or six to the mile along railway lines throughout the world. Increasingly, the tendency is to use covered cable.

Celoria expects the seminar to attract a fair proportion of students of design, although his words were finally drowned out by crackling on the telephone line between London and Stoke. A case of bad insulation, he suggested.

● The British aircraft industry is thinking Chinese this week in preparation for the "mini-Farnborough" which is being staged in Shanghai from March 27.

Two freighter aircraft will carry 50 tons of exhibits from Britain for the 66 companies which will be represented in Shanghai. The material being shipped includes a full-scale Rolls-Royce RB211, engine, flight simulators, ejection seats, and models of new aircraft, such as the 146 70-seater, which the industry is in the process of developing.

The Society of British Aerospace Companies is organizing the display and says it expects some 60,000 visitors over the 10 days during which the exhibition, the first of its kind to be organized inside China by any nation, is open.

British Aerospace has, of course, been flirting with the Chinese for a long time, and not without success. It sold them a fleet of Trident airliners, and then Rolls showed them how to establish a factory for the manufacture of Spey engines.

But the glittering prize, a large-scale order for the Harrier vertical take-off jet fighter, remains out of reach, even though the Chinese made encouraging noises when they sent two large delegations around the British aerospace industry at the time of the last Farnborough show in 1978.

● William Hassett, New York State's commissioner for commerce, has been in London recently banging the drum for New York. He has been attracting much interest among British industrialists keen to set up across the Atlantic but not sure how to go about it.

The visit is part of New York State's campaign to persuade both tourists and industry of the virtues of the area.

Unlike many run-of-the-mill state officials he also has wide experience at the sharp-end of business.

Five years ago he was invited by Mayor Carey of New York to join his team to ensure that the city would never again go through the sort of financial crisis it experienced when only a last minute package put together by the big banks prevented it going bankrupt.

Battlelines are being drawn about Civil Service pay negotiations by the unions and the Government. A description by a member of the Select Committee on the Treasury and Civil Service that such manoeuvres were "Clausewitzean", sent union leaders rushing to their football annuals. Could this refer to the celebrated Bayern Munich goalkeeper Rudi Clausewitz? Apparently not. The reference point was one Karl von Clausewitz (1780-1831), a German military philosopher whose claim to fame is a theory that war is nothing more than an extension of politics by other means.

Malcolm Brown

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Gilts firmer, but oils retreat further

The last full account before *the Budget started* nervously yesterday, plagued by further gloomy economic news and another downturn in oils.

Gilts, however, were slightly firmer, encouraged by the latest talks between the unions and the British Steel Corporation and by the banking figures, due today, which are expected to show an improvement on last month.

But it was the latest upset in oils that captured the market's attention as shares retreated across the board. This had the effect of keeping the buyers away which in turn left the rest of the equity market looking softer as prices drifted throughout the day. Only special situations and company results provided relief.

By the close the *FT* Index had fallen 3.4 to 452.3 after being 5.3 down earlier in the day.

The second liners among oil shares were again the worst hit *after recent* speculation that Siebens, along with its operator, Marathon, had been disappointed by its latest drilling test. But the majors were not left unscathed as the threat of another big rise in petroleum revenue tax to offset the huge profits being made continues to be a fear.

Nevertheless, most market men agree that the worst is over and that the whole affair has been overdone. But until there is a marked return of confidence they will continue to mark prices lower, leaving only the speculators.

Gilts were in a quiet but firm mood with modest rises throughout the list, but with very little turnover reported. The latest talks at BSC *to settle the steel* dispute and the bank lending figures, which are expected to show a rise of between ¼ and ¾ per cent, helped sentiment. But until something definite takes place the market is expected to continue to mark time.

In the event, longs showed gains of between £⅛ and £¼ with advances of around £⅛ at the shorter end of the market.

Alcan Aluminium (UK) continued its upward climb yesterday on suggestions that the Canadian parent may be preparing a share stake change. But even with the price up 3p to 107p, the rumours were being swiftly discounted after the recent dividend cut.

Leading industrials had a fairly neglected look for most of the day. Most finished easier, although ICI fell 18p to 370p, reflecting the threat to its oil profits from the Ninian Field in the form of PRT. Falls of 2p were noted in Unilever at 436p and Beechams at 123p while similar rises were seen *in Glaxo at 246p and* Pilkington Bros at 220p.

The latest price-cutting exercise by jobbers to deter selling saw further heavy losses among most of the oil shares. BP, reporting this week, led the way, plunging 20p to 364p, closely followed *by Shell, which fell* 14p to 376p and Ultramar, 12p to 490p. Burmah eased 7p to 215p, Siemens 27p to 548p, Lasmo 23p to 448p and Tricentrol 10p to 292p.

Shares of Viking Oil, already *the subject of an offer from* Deminex of Germany, were suspended at 930p pending an announcement which most thought was likely to be a counter-bid. Caledonian Offshore rose against the trend 10p to 230p and Charterhouse, after press comment, gained 2p to 77p, but Celtic Basin eased 10p to 220p.

Companies with oil-related interests also retreated, with Cawoods 4p lower at 370p and Imperial Continental Gas down 22p to 748p.

Shares of W & E Turner were suspended at 49p pending an announcement, as were Bishopsgate Property at 4½p.

The attempt to turn Royco Group into a private company appeared to have failed yesterday and the shares retreated 2½p to 45½p.

Speculative interest provided firm features in such shares as Hamilborne, which rose 16p to 86p, Coral Leisure 6p to 78p, Alcan Aluminium 3p to 107p *and W Williams 6p to 28p* while reports of a property sale boosted Lister 2p to 67p.

Weekend press comment also provided its usual bout of interest providing support for, among others, Phicom 4p to 32p, Bowater 1p to *171p*, Bambers 4p to 97p, May & Hassel 8p to 100p and Channel Tunnel 7p to 145p. But it knocked 7p from Newman Industries at 49p.

Dealers were pleased with the figures from the latest batch of companies reporting. J Jarvis rose 6p to 110p, Parker Knoll 12p to 110p, after 114p, Joseph Stocks 3p to 96p and Rolls-Royce 2½p to 65p. Concorde Rotaflex continued to reflect recent good figures, rising 5p to 24p.

Electricals were in a rather glum mood as fears that Decca shareholders would accept the cash alternative continued. This pushed Racal down another 3p to 211p, only 11p above the level at which the cash offer becomes worth more than the share alternative. Decca improved 3p to 613p with the 'A' unchanged at 512p while GEC weakened 4p to 374p.

Rubbers took a turn for the worse as hopes that Sime Darby would launch its bid for Guthrie began to recede. Shares of Guthrie contracted 25p to 755p accompanied by Highlands & Lowlands 4p to 112p and *London & Sumatra 16p to 390p.* Killinghall remained firm at 495p.

The general opinion that interest rates would not show further rises before the Budget helped property shares to stage a modest rally. Weekend comment lifted Bradford Property 7p to 177p and Warner Property 4p to 140p. Elsewhere, rises of 2p were witnessed in MEPC at 198p, Land Securities at 293p and Haslemere at 302p.

Market men are urging investors to keep a close eye on shares of Status Discount, an old takeover favourite. Word is that MFI is now ready to make a bid for the company, which is closely related to MFI's main supplier, Humber Kitchenware. Two directors of MFI sold 30,000 shares in MFI yesterday while Status held firm at 66p.

But the latest trip in the *bullion price, down $28 at* $585.50 an ounce, did little to help gold shares which all looked rather nervous. Among the heavies West Driefontein slipped $2¼ to $73¼, Anglo Am Gold $1½ to $81, FS Geduld $2 to $57½ and St Helena $1½ to $36.

Equity turnover on March 7 was £126.878m (17,788 bargains). Active stocks yesterday, according to the Exchange Telegraph, were, Lasmo, Shell, Ultramar, BP, Tricentrol, ICI, Racal, National Westminster, Burmah and GEC.

Latest results

Company Int or Fin	Sales £m	Profits £m	Earnings per share	Div pence	Pay date	Year's total
G. Armitage (F)	6.1(5.8)	1.2(1.5)	55.9(42.6)	5.0(—)	—	7.5(—)
Cornell Dresses (F)	2.0(1.9)	0.10(0.12)	2.5(2.6)	0.8(0.08)	—	—(—)
First Guernsey Secs	—(—)	0.03(0.01)	—(—)	4.5(3.5)	13/5	—(—)
J. Jarvis (I)	*11.7(9.5)*	*0.14(0.10)*	—(—)	*5.5(4.9)*	3/4	—(—)
Manganese Bronze (I)	18.6(15.4)	0.18(0.32)	—(—)	—(—)	—	—(—)
Merchants Tst (F)	—(—)	3.0(2.5)	3.8(3.0)	2.25(1.75)	19/5	3.75(3.0)
Murray Glendevon (I)	—(—)	0.25(0.17)	2.5(2.2)	0.8(0.75)	10/4	—(—)
Neil & Spencer (F)	1.7(1.0)	1.74(1.02)	—(—)	2.1(3.5)	5/5	3.5(2.3)
Parker Knoll (I)	15.2(10.9)	2.05(1.00)	15.5(7.7)	2.5(0.73)	24/4	—(5.0)
Rolls-Royce Mtrs (F)	158(152)	7.14(14.63)	8.6(19.72)	3.12(2.99)	—	—(—)
Joseph Stocks (I)	23.2(22.3)	0.38(0.26)	7.4(6.2)	—(—)	—	—(—)

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pre-tax and earnings are net.

Counter-bid expected as Viking is suspended

By Alison Mitchell

The shares of Viking Oil were suspended yesterday at 930p amid mounting expectation of a counter bid to the agreed offer from Deminex.

Although an announcement was expected last night it was deferred at the last minute and Lord Balfour of Burleigh, Viking's chairman, would admit only that the group was "busy in discussion on a number of points".

Two weeks ago the German oil company Deminex offered Viking shareholders £3 in cash plus a further sum in royalty units dependent on production.

Among the names being put forward *as the likely suitor*, and there are thought to be as many as half a dozen, is Hunt Group with which Viking already has an exploration partnership and Philips, which has a considerable knowledge of the area in which Viking operates. There are suggestions that the bidder will be one of the American oil groups.

Viking, an oil and gas exploration group, already has finds in the Brae field and possible finds in its other block. Its shares are currently quoted on the Stock Exchange under Rule 163(3).

British Assets and Edinburgh American Assets trusts announced yesterday that they have reduced their stakes in Viking from 10.7 *per* cent to 8.8 per cent at prices ranging from 965p to 983p and are therefore no longer deemed to be associates of Viking.

Ivory & Sime, which runs the trusts, admitted yesterday that the shares were sold to take advantage of the high price. No further reduction in the holdings are planned at present.

Mr Lacey spends £5m and prepares to suspend Hamilborne

By Philip Robinson

National Carbonising chairman, Mr Graham Ferguson Lacey, has made two major moves in his attempt to build an oil, gas, coal and mining empire.

Yesterday he *contracted to* spend nearly £5m of NCC's cash buying a quarter of Hampton Gold Mining Areas and today he is due to call a halt to the share dealings in the small brick-makers, Hamilborne, where he is also chairman, pending talks which could dramatically change the business.

The Stock Market had been betting on big things from Hamilborne for some weeks. Four days ago, the price hit a 70p peak and was a further 16p up last night at a new, 12-month "high" of 86p.

No details have been released of the negotiations but word is that they are connected with oil, gas and uranium interests in America.

Last June, Mr Lacey, whose Birmingham and Midland Counties Trust investment group own 52.63 per cent of Hamilborne, told shareholders that among possible expansion plans was *the opportunity to* invest in a group involved in oil, gas, and uranium in the United States. That was abondoned when the group failed to obtain exchange control permission, which would not now be a factor.

National Carbonising's new stake in Hampton cost the group £4.6m—part of the proceeds from the sale of 6.8 per cent of London and Scottish Marine Oil in mid-January—for 1,362,800 shares from the Australian Bond Corporation at 325p, and around 100,000 shares in the market. In the past year the shares have come up from 148p. *Last night, the price* down 10p at 353p.

Mr Lacey has paid Bond with the balance due at end of September on a annual interest rate of 12 cent.

The Bond Corporation, Perth-based energy and perty investor, bought the 2 per cent stake less than months ago from Colo Mutual Life Assurance 215p a share. The sale has gi them a profit of £1.5m.

It is understood that Mr Bond had been a possible se of the stake after his req to join the Hampton board been rejected.

Mr Lacey has a reputa of also requesting a seat the board with this size stake.

Hampton chairman, Mr Ja Ley, said yesterday: "I no idea what his intentions We have not met or ta about the shares."

Hampton earns a large centage of profits from ro ties from operations by Wes Mining in its Australian areas.

It also has coal mining in ests in Staffordshire, a 5 *cent stake in* Sun Oil con tium in the North Sea makes coal mining machin

A spokesman for Mr L said last night: "This mov buy nearly 26 per cent Hampton is in line with Lacey's express policy of de oping energy interests."

Mr Lacey's plan to buil energy empire began last ust when he became chair of National Carbonising buying a 27.05 per cent st One of his first moves wa buy a stake in the Berm based oil exploration gr Weeks Petroleum.

Muirhead chief cuts stake

Sir Raymond Brown, chairman and managing director of electronics group, Muirhead, has reduced his personal stake in the company from 6.2 to 4.1 per cent.

He announced yesterday that he has sold 200,000 shares and exercised an option to acquire nearly 16,000, giving him a stake of 343,342 shares.

The group, now 23 per cent-owned by American concern, Tyco Laboratories, has been the subject of much speculative buying.

Tyco increased their stake by 8.4 per cent last month, buying the Kuwaiti Investment Office stake shortly after a profits slump was announced.

Sir Raymond is currently in America for a month on a "half-holiday, half-business" trip.

Bath & Portland warning

Bath and Portland chairman Sir Kenneth Selby warns shareholders in his annual statement that the group is in for a couple of difficult years.

Bath and Portland is trying to make good the loss of profitable business caused by the loss of its £100m Iranian contract to build a road through Baluchistan, while at the same time having to pay heavy interest costs on the finance guaranteed by the ECGD.

Normally the group relies on existing contracts to bear the cost of forward-marketing and tendering for new contracts. So far the group has taken a £9m contract for harbour works in the Sudan. This will partly fill the void left by Iran, but Sir Kenneth warns that it may not be possible to develop home-based operations and profits may fall. The auditors state that they cannot assess whether the outstanding £500,000 provision against the Iranian contract is excessive or too little.

Briefly

George Armitage and Sons: Turnover for 1979 up from £5.85m to £6.11m, *but pretax profits down* from £1.51m to £1.26m. Chairman believes company has the ability to maintain profits at the enhanced level of the last two years. Ordinary capital privately held.

Mergers cleared: Following mergers not to be referred to Monopolies Commission: Burns Philp—S. Hoffnung; City and Continental Property—Australian Steam Shipping; Furness Withy—Metcalfe Shipping; Hongkong and Shanghai Bank—Remaining shares in Antony Gibbs Holdings; Glaxo Holdings—F. H. Faulding.

Murray Glendevon Investment Trust: Pretax revenue for half-year to January 31 last rose from £174,000 to £258,000. Interim dividend, gross, 1.14p (1.07p).

R. A. Dyson: Listing cancelled at company's request. Over 70 per cent of shares acquired by Ryland Vehicle. Applications may be made to make specific bargains.

Cornell Dresses: Turnover for 1979 up from £1.92m to £2.08m, but pretax profits down from £128,000 to £100,000. Dividend held at 1.14p gross.

Thermal Syndicate: Chairman, Sir John Paget, tells shareholders in his annual report that, at this stage, he can say with reasonable confidence that the first half of the current year will continue the improvement achieved in the past 12 months.

Austin Reed has acquired Fogg & Ellis, men's outfitters of Newcastle-upon-Tyne, bringing total of retail outlets in the group to 51.

Tricentrol has elected to provide for £70,001 of the payment due to Opman International (UK) in respect of its royalty interest in *Tricentrol's share of production* from the Thistle Field for three months to Feb 29, 1980, by issue of 23,340 ordinary shares in Tricentrol. Arrangements made for these shares to be placed to provide cash payment due.

Ocean Transport and Trading has taken over the business previously undertaken by Peckston Project Services. The special projects team will now be employed by McGregor Project Services. The acquisition of the team follows the announcement last month that the Peckston group had gone into the hands of the Receiver. The specialist team will complement the freight-forwarding services of the Ocean Group.

Noble Grossart: A group led by and including Noble Grossart have participated in a successful discovery well, the Steadman Well, which has been drilled at Grayson County, Texas. The group has a 9 per cent interest in Canadian Natural Resources which is the operator on the well and holds a 40.75 per cent working interest. Separate additional interests are *held through Drummond Holdings.*

Merchants Trust: Gross revenue for year to January 31 up from £3.03m to £3.44m. Pretax profit, £3.05m (£2.57m). Total gross payment, 5.35p (4.36p).

East Lancs Paper: Greenbrook Securities has acquired a further 72,500 ordinary shares in East Lancashire Paper Group and now owns 715,000 ordinaries (13.12 per cent).

A. Arenson (Holdings): Industrial and General Trust acquired 50,000 ordinary shares in Arenson on January 3 and 220,000 ordinary shares on January 7, making a total holding of 600,000 shares (5.98 per cent).

Options

Traded options had a dull day along with the rest of the market and total contracts amounted to 559. At the top of the list was BP, with 130 contracts whose results are due on Thursday and which is expected to show net income up from £440m last year to £1,600m. Marks and Spencer was second with 107 contracts.

While the old favourite, *Consolidated Gold Fields*, which reported good interim figures last week and is rumoured to be the subject of a possible bid from either General Mining or Anglo American, saw 100 contracts, Racal totalled 56.

Business appointments

Directors named for Staveley

Mr M. R. B. Gatenby and Mr J. A. Harper are now directors of Staveley Industries.

Mr Roy Tazzyman has been made financial director of Loewy-Robertson. He also becomes financial director of the Loewy-Wrightson Group.

Mr F. W. Hewitt, a former divisional manager of the National Westminster Bank, has become a director of the Woolwich Equitable Building Society.

Mr P. Thompson will be joining the partnership of Rowe & Pitman on April 11, and Mr J. D. W. Stobart will be retiring.

Mr Archie Gilchrist has become managing director of Vosper Private in succession to Mr Robert Du Cane who is retiring from the Singapore company at the end of April to return to Europe.

Mr A. H. Bolton has been made managing director and Mr Anthony A. M. Pinsent as deputy managing director of Leslie & Godwin Aviation. Mr F. J. Oxlade has become managing director of Leslie & Godwin Contractors (Overseas) while Mr G. Lewis has joined the group as a director of Leslie & Godwin International and also as senior vice-president of Frank B. Hall Overseas.

Mr Sam Burns is to retire as managing director of William Hill Organization, on January 31 1981, the end of the company's current financial year. He will be invited to continue as a non-executive director. Mr L. P. Cowburn has been made joint managing director with Mr Burns. Mr H. W. Abbey becomes assistant managing director.

Mr A. J. Kelley has been appointed managing director of Greencoat Properties. Mr G. A. Ball remains on the board as a non-executive director. Mr D. S. Mackay has resigned as a director to take up a position as managing director of Cala Properties.

Mr E. G. Cluff has become the first full time secretary general of the Institute of Data Processing Management. Mr Alex Park has been appointed as president of the institute in succession to Mr Tony Hardcastle who remains a vice-president.

Mr Fane Vernon, chairman of the British Dredging Company, has been made executive chairman. Mr Bryan J. H. Clark, deputy chairman and chief executive of British Dredging, has resigned from the board and from his executive duties with the group.

Mr Roger Rowland has been made a director of Morgan Crucible.

Neil & Spencer profits up 70pc

By Our Financial Staff

Neil & Spencer Holdings has turned in a fifth year of spectacular growth with a 70 per cent profits increase to £1.7m. The increase was achieved on a 45 per cent improvement in sales to £21.9m and the dividends for the year total 5p gross, a 50 per cent increase.

The figures include nine months' contribution from the Belgian acquisition, D'Hooge, though the company declines to quantify this. However, in its previous full year D'Hooge made £180,000 profits on sales of £5m and trading has since been "reasonably satisfactory".

There is no contribution to the profit and loss account, however, from Westair-Hargreaves, bought late last year for £1.7m. Profits here were running at £500,000.

Mr J. J. Boex, chairman of Neil and Spencer.

Westair, which will be incorporated in the balance sheet, represents Neil & Spencer's first big diversification outside its mainstream business of laundry and cleaning equipment. Its primary product is heat pumps for use in dehumidifiers.

The steel strike has had no effect so far and the group is broadly expecting to maintain progress. However, it is clear that the high growth rate in the mainstream business will level off and the main growth factor this year will be the contribution from Westair-Hargreaves.

The shares at 110p, up 2p yesterday, are selling at 10.7 times stated earnings, rising to 13 on a full tax charge. Adding in £500,000 for Westair-Hargreaves, the fully taxed p/e ratio falls to 10.1. The yield on the three times covered dividend is 4.5 per cent.

Turner dealings halted for bid discussions

By Rosemary Unsworth

W. & E. Turner, the Leicester-based footwear, hosiery and handbag retailer, had its share price suspended yesterday at 49p while details of an agreed bid for the group were worked out.

The most likely bidder is UDS Group, which was tipped as a possible suitor of Stead & Simpson, the motor trader-to-footwear group, earlier this year. UDS already has two footwear chains, *John Farmer* and William Timpson, and has been seeking further expansion through acquisition as well as looking for additional retail sites which Turner can provide.

Capitalized at about £5m, Turner's board members and their families hold more than 50 per cent of shares, while Pearl Assurance holds 5.02 per cent and Magwest Nominees holds 5.02 per cent.

In the first half to June 30 1979, the group made trading profit of £475,000 compared with £278,000 the previous year. Pretax profit for 1978 amounted to £1.3m on £12m turnover.

A further announcement is expected within 24 hours on the bid which was described as one *of the best kept* recent takeover secrets as the share price was unchanged in the preceding two weeks before the suspension was requested, despite a flurry of activity over other speculative stocks.

Bishopsgate suspended

By Our Financial Staff

The shares of Bishopsgate Property & General Investments were suspended yesterday at 4½p "pending clarification of the company's position".

Director Mr Malcolm Yeulet would give no indication as to when the shares would be requoted but promised an announcement "as soon as the board had something meaningful to say".

At the time of Bishopsgate's interim statement, last November, the chairman revealed that certain major creditors, including a syndicate of banks which provided a foreign currency loan, had agreed to waive part of the amount. This reduced Bishopsgate's liabilities by around £480,000.

Royco's founder wins 74 pc

Mr Roy Strudwick, the Jersey-based millionaire property developer, has more than succeeded in his attempt to regain control of building group Royco, of which he is the founder and *former chairman.*

Although he would have been content to settle for the 50.01 per cent holding he built up buying the shares in the market, when the offer for Royco closed yesterday Bonnerpark, a subsidiary of *Mr Strudwick's* privately controlled Supreme Investments, had acquired some 74.6 per cent of the company.

Although the independent directors of Royco advised shareholders not to accept the bid, *Bonnerpark's advisers*, Barclays Merchant Bank, admitted yesterday that there would be no board changes.

Royco's shares yesterday slipped 2½p to 45½p. Last year Mr Strudwick initiated a scheme *giving shareholders a cash repayment* of 20p a share.

B. ELLIOTT

B. Elliott is making a cash offer for those 7 per cent preferred ordinary shares of Newall Machine Tool it does not already own. These outstanding holdings amount to 13.5 per cent of the 7 per cent preferred ordinary share capital of Newall.

Manganese Bronze hit by ban on overtime

By Our Financial Staff

The cost of borrowin telling against Mang Bronze Holdings, the engi ing group with interests metal powders and castin taxis and BSA guns.

Turnover in the half ye January 31 actually rose £15.43m to £18.87m; and ing profits went ahead £565,000 to £686,000. This after an increase in depr tion from £360,000 to £42

Interest paid, less rece rose by £167,000 to £50 which was more than en to explain the fall in p profits of £137,000 to £18 In the full year to July 31, pretax profits were £1. They were as much as £ in 1977-78.

Mr Dennis Poore, chai points out that the compa of half-year with half-year simply between one peric industrial trouble and an

The union overtime ba the group hard, espe where furnaces, normall early, could not be broug operating temperatures b the end of the working The cost was at least £0.5m group as a whole suffered the United Kingdom dro vehicle production. The i diate outlook "can hardl considered promising."

None of this disconcerted market and the shares r at 31p.

The prospect for the *looks like £750,000 or so.* last stated asset value around 130p a share. The no interim dividend. Nor there been one since 1974.

BL is a major customer as a buyer of motor compo and as a supplier of taxi parts. The group's intere associated companies incl 49.9 per cent of Norton Vil Triumph business continu be won abroad. But margin narrowing because for buyers are unwilling to ac price rises based on int labour costs at home.

WHOLESALE PRICES

The following are the indices (1 100) of wholesale prices manufactured goods and the materials and fuels purchased by t facturing industry released by Department of Industry yesterday

	Output prices (home sales) (1)	Price of materials and fuels (2)	% cha on prev 6 month annual r (1)
1979			
Jan	180.0	151.8	8.2
Feb	181.7	153.3	9.1
March	183.2	155.2	9.9
April	185.5	160.6	11.7
May	187.7	162.8	14.0
June	170.8	166.6	16.6
July	174.8	168.1	19.4
Aug	176.3	169.1	18.9
Sept	178.2	172.5	19.2
Oct	180.3	178.1	18.7
Nov	181.6	186.0	17.3
Dec	183.4	187.5	15.2
1980			
Jan	188.5	193.4	19.3
Feb	191.1	197.2	17.5

P Provisional R Revised

RETAIL SALES

The following are the seasonally adj figures for the volume of retail s and value of new instalment c released by the Department of Tra

	Sales by volume 1976 = 100	New Credit extended £1m	Impl chang debt
1979			
Jan	99.3	525	6
Feb	100.9	532	9
March	101.6	526	5
April	106.1	586	7
May	102.6	621	13
June	109.3	680	15
July	98.5	629	11
Aug	100.6	634	10
Sept	99.4	615	9
Oct	100.8	653	14
Nov	102.5	698	14
Dec	101.7	595r	5
1980			
Jan	102.8	671	7

S & W Berisford chairman confident

"We are now reasonably confident that the results for the current half-year which ends this month will compare favourably with those for the corresponding period of last year", Mr E. S. Margulies, the chairman of S. and W. Berisford, told yesterday's annual meeting.

Berisford is a London-based, international group mainly involved in the merchanting processing and distribution of key raw materials.

If the board's expectation of the results is fulfilled, it intends to repeat last year's interim dividend of 3.57p gross and leave any further increase to apply to the final in the light of the full year's results.

Following the pattern of the preceding year, total sales are again well ahead and for the first four months have topped £800m, the chairman declared. But in a group of this nature, turnover is not a reliable measure of the net emerging profits. The biggest single factor which inhibited Berisford's growth last year, the cost of money, has continued into the current year.

J. Jarvis up 42 pc at half-time

On turnover 23 per cent up at £11.7m, pretax profits of London-based J. Jarvis and Sons rose by 42 per cent to £145,000 in the half-year to Sept 30. In the full year to March 31, 1979, Jarvis slumped from a pretax profit of £519,000 to a loss of £574,000 and the chairman, Mr D. B. Jarvis, predicted a return to profitable trading this year; he is still of this opinion. Meanwhile, the interim dividend of this construction group is being lifted from 7.31p to 7.85p gross.

Legal & General pensions growth

Funds managed by the pensions management subsidiary of Legal and General Assurance rose £260m to £1,269m last year.

The subsidiary, which claims to be Britain's largest managed pension fund company, said in its annual report that clients increased from 432 to 500. Total new money of £220m compares with £185m in 1978; £127m represented new money from client pension contributions and £93m came from dividends and rents.

Abbey Panels concern

Abbey Panels Investments' chairman states in the annual report that APPs activity towards the end of 1979 remained strong.

The company has had a year of consolidating its export business and the chairman looks forward to a growth in these overseas markets. The board is now beginning to be more than concerned regarding the effects of the present industrial situation especially in *relation to API's cash-flow* during the coming weeks and months. The well being of a company like API could be quickly negated if the situation drags on.

G & G Kynoch's plans

G. & G. Kynoch's chairman states in the annual report that as regards the future, the board have positive plans for restoring Kynoch to profitability. But until increases in wage rates in Britain are matched with improved performance and productivity rather than simply being a fuel for inflation, manufacturing industry will have a difficult task to sell their products competitively in the markets of the world. The company will, nevertheless, continue to strive to increase business by marketing quality products, backed up with personal approach and efficient customer-service.

Higher interest rates aid Robeco

In 1979, net profits of Robeco, the Dutch investment trust, expanded from 205m fl to 228m fl. Robeco points out that higher interest rates result in higher income from liquid assets and that this contributed substantially to the *profits rise.* Robeco's interest in United Kingdom securities increased to 2½ per cent of total net assets.

In the second half of last year, Robeco bought the following shares: BAT Industries, 200,000; BP, 1.44m; BP, partly-paid, 405,000; General Accident, 550,000; Grand Met, 1.2m; Natwest, 240,000; RTZ, 275,000 and Sedgwick Forbes *Bland Payne, 200,000.*

CPI share offer

Canadian Pacific Investments says it expects to offer about 750,000 common shares outside North America through agents, Wood Gundy and Pierson, Heldring and Pierson NV.

The company said the exact size and price of the offering, which will not be underwritten will be determined later this month.

A Canadian *Pacific* Investments spokesman said to date the company's shares have only been traded in Canada and it is now trying to broaden its shareholder list to include more non-Canadians.

FINANCIAL NEWS AND MARKET REPORTS

Linde raises its dividend

Linde AG recorded net profit after tax of Dm77.7m in 1979, against Dm70m in 1978, and raised its dividend to Dm9 from Dm8, the first increase since 1975.

Managing board chairman Herr Hans Meinhardt said domestic group turnover was 15.7 per cent higher in the first two months of 1980 than in the same period a year ago, while incoming orders had risen 4.9 per cent and the order book stood 8 per cent higher.

Herr Meinhardt said the two-for-seven rights issue announced at the end of January to raise Dm136m was primarily to fund capital investment of about Dm150m in 1980.

The Dm10m of authorized but unissued capital remaining after this rights issue would be allowed to lapse and authorization from shareholders would be sought for a further Dm50m of capital by mid-1985, he said.

On turnover of more than Dm2,000m (from Dm1,830m in 1978), earnings per share were Dm23.15.

Depreciation was Dm97.3m (Dm89.6m in 1978). Domestic group interest payments were Dm32.9m (Dm28.6m) and income from interest Dm47.6m (Dm42.4m).

Domestic group incoming orders were Dm2,120m in 1979 (Dm2,000m) and the order book at year end was Dm2,700m (Dm2,400m).

Herr Meinhardt said he expected 1980 results to be satisfactory.

International

Joint investment

Kuwait and Malaysia plan to set up a joint investment company with a capital of 250m ringgits, the Kuwaiti finance ministry said.

The company would be 48 per cent owned by Kuwait and 52 per cent by Malaysia. It would be involved in a variety of investment, property, food and industry projects.

An agreement was signed during a visit to Kuwait by Malaysia's finance minister, Tengku Razaleigh Hamzah.

Japan's coupon boost

Japan's finance ministry has decided to boost the coupon rates of government-guaranteed bonds and local public bonds for March issues.

Ministry officials said the rates on those bonds have been increased to 8.1 per cent a year, up 0.3 percentage point from the previous rates.

EIB placement

The European Investment Bank is making a Dm100m, eight-year private placement with 9 per cent coupon and 99 per cent issue price, bond market sources in Frankfurt said.

The issue is managed by Deutsche Girozentrale-Deutsche Kommunalbank and initial market reaction to the placement is positive, despite the continuing weakness of the mark-denominated Eurobond sector, the sources added.

BTR South Africa

Turnover for BTR South Africa for the 13 months to December 31, 1979, was R92.8m (£51.8m). Pretax profit was R11.9m (R7.4m after tax).

Earnings per share were 49.7 cents, an increase of 54 per cent. The board said they were confident that the group would advance still further in the future.

Cigu hotel chain pushes profits up by 45pc

Ciga Hotels SPA, Italy's leading hotel chain, says its net profit rose by 49 per cent in 1979 on a turnover gain of 30 per cent.

Earnings rose to 2,571 bn lire last year from 1.727 bn in 1978, the company said after a board meeting. Turnover climbed to more than 65 bn lire from 50.1 bn last year.

The hefty profit confirmed the turnround achieved in 1977, when Ciga reported a small profit after several years of losses. Improved profitability was attributed to the restructuring of Ciga's Italian hotel chain and the reorganization of its foreign network.

Ciga did not make any statement about the dividend, which was 39 lire a share last year. Some stockbrokers predicted it would be raised to 70 lire a share or more.

Ciga is still embroiled in a legal dispute over whether United States-based Dunfey hotels is obligated to buy a major package of Ciga shares from Società Generale Immobiliare Sogene SPA, leading Rome-based real estate concern, which owns 41 per cent of Ciga.

Hoechst dividend hopes

Hoechst AG expects to be able to pay a dividend of Dm7 a share in 1979, up from Dm6 in 1978.

The company said that worldwide turnover rose 11.1 per cent to Dm26,870m in 1979, buoyed by strength in the West German economy as well as particularly active business in Western Europe and North America. The only sector posting a turnover decrease was the plant construction unit.

Profit figures for 1979 have not yet been calculated for the Hoechst group. Turnover for the parent, Hoechst AG, rose 14 per cent to Dm10,700m, 10.7 billion marks. Prices rose 5.4 per cent and volume 8.6 per cent.

Hoechst AG recorded a pretax profit of Dm907m in 1979, up 27.6 per cent from 1978.

CPI's new share offer

Canadian Pacific Investments has announced that it is proceeding with an offer of new common shares in the international markets outside North America.

The offer will be through agents, Wood Gundy and Pierson, Heldring, Pierson NV. The shares will not be offered in Canada or the United States. The offer is expected to be about 750,000 shares and will not be underwritten. The price and size of the issue are expected to be determined on March 19.

The new shares will rank with existing issued shares. Quotation in Amsterdam will be in the form of continental depositary receipts, each for 10 shares, and will begin on March 20.

Commodities

COPPER was easier.—Afternoon.—Cash wire bars, £1,041-43 a metric ton; three months, £1,061-62. Sales, 12,600. Cash cathodes, £990-92; three months, £1,020-22. Sales, 800 tons. Morning.—Cash wire bars, £1,074-76; three months, £1,095.50-94.50. Settlement, £1,076. Sales, 8,778 tons. Cash cathodes, £1,036-38; three months, £1,066-67. Settlement, £1,038. Sales, 505 tons.

TIN was easier.—Afternoon.—Standard cash, £7,980-8,000 a tonne; three months, £8,050-60. Sales, 910 tonnes. High grade, cash £7,980-8,000; three months, £8,050-60. Sales, nil tonnes. Morning.—Standard cash, £8,130-40; three months, £8,170-80. Settlement, £8,140. Sales, 1,080 tonnes. High grade, cash, £8,130-40; three months, £8,170-80. Settlement, £8,140. Sales, nil tonnes. Singapore tin ex-works, $m 2,431 a picul.

LEAD was steady after easier.—Afternoon.—Cash, £495-500 per tonne; three months, £453-58. Sales, 4,978 tonnes. Morning.—Cash, £516-20; three months, £453-54. Settlement, £520. Sales, 8,875 tonnes.

ZINC was easier.—Afternoon.—Cash, £318-20 per tonne; three months, £327-28. Sales, 7,350 tonnes. Morning.—Cash, £331-33; three months, £343-44. Settlement, £333. Sales, 3,300 tonnes.

PLATINUM was at £401.35 ($890) a troy ounce.

SILVER was easier. Bullion market (fixing levels).—Spot, 1,380.10p per troy ounce (United States cents equivalent, 3,061.80); three months, 1,428.10p (3,169.70c); six months, 1,461.10p (3,243.90c); one year, 1,531.10p (3,370c). London Metal Exchange.—Afternoon.—Cash, 1,315-20p; three months, 1,365-60p. Sales, 134 lots of 10,000 troy ounces each. Morning.—Cash, 1,350-60p; three months, 1,395-1405p. Settlement, 1,360p. Sales, 59 lots.

ALUMINIUM was weak. Afternoon.—Cash, £772-73 per tonne; three months, £792-95. Sales, 15,400 tonnes. Morning.—Cash, £829-31; three months, £848-49. Settlement, £831. Sales, 9,625 tonnes.

NICKEL was easier. Afternoon.—Cash, £3,015-25 per tonne; three months, £3,115-25. Sales, 582 tonnes. Morning.—Cash, £3,085-90; three months, £3,185-90. Settlement, £3,090. Sales, 786 tonnes.

RUBBER was uncertain after weak. April, 67.10-68.90; May, 69.20-69.70; April-June, 69-69.40; July-Sept, 72.70-73.00; Oct-Dec, 77.10-77.50; Jan-March, 80.40-80.50; April-June, 85.40-85.50; July-Sept, 86.40-86.45; Oct-Dec, 89.40-89.45. Sales, 145 at five tonnes; 1,852 at 15 tonnes.

RUBBER PHYSICALS were weak.—Spot, 66-70. Cifs, April, 68.50-70.50; May, 70.50-72.60.

COFFEE.—ROBUSTAS (£ per tonne): March, 1,634-35; May, 1,671-72; July, 1,704-05; Sept, 1,741-42; Nov, 1,735-37; Jan, 1,700-10; March, 1,680-95. Sales: 4,644 lots including 45 options.

COCOA was quiet.—(£ per metric ton).—March, 1,372-77; May, 1,412-13; July, 1,432-35; Sept, 1,450-52; Dec, 1,485-87; March, 1,510-15; May, 1,530-60. Sales: 1,330 lots including one option. ICCO prices: daily (March 7) 140.89c; indicator prices (March 10) 15-day average 142.87c; 22-day average 140.39c. (US cents per lb.)

SUGAR.—The London daily price of "raws" was unchanged at £230; the "whites" price was unchanged at £260. Futures (£ per tonne): old Contract (week): March, 218-22; May, 234.25-35.00; Aug, 243-43.50; Oct, 251.50-52.00. Sales, 10,913 lots. New Contract (quiet): May, 232-35; Aug, 243.90-46.50; Oct, 245-55; Jan, 254.60-59.00; March, 264-65; May, 266.00 seller only. Sales, 275 lots. ISA prices (March 7): daily 20.47c; 15-day average 20.18c.

White sugar was quiet: April unquoted 254.50. Rest unquoted. Sales, nine lots.

SOYABEAN MEAL was slightly easier (£ per tonne).—April, 109.60-09.80; June, 109.50-09.60; Aug, 111.20-11.50; Oct, 110.60-10.80; Dec, 113.60-13.90; Feb, 116.50-17.00; April 118-19.50. Sales 66 lots.

WOOL.—Greasy futures (pence per kilo): Australian (quiet): March, 250-265; May, 255-270; July, 275-290; Oct, 276-290. Dec, March, May, July, 276-294. Sales nil. New Zealand Crossbreds (quiet): March, 165-200; rest unquoted. Sales nil.

NZ Crossbreds No. 2 contract, cents per kilo (barely steady): Mar, 400-410; Aug, 417-419; Oct, 418-420; Dec, 418-420; Jan, 418-420; March, 432-439; May 423-433; Aug, 430-435. Sales, eight lots.

GRAIN (The Baltic).—WHEAT.—Canadian western red spring unquoted. US dark northern spring No. 2, 14 per cent: March, £92.75; April-May, £97.30; May, £97.50 trans-shipment east coast. US hard winter unquoted. EEC unquoted.

MAIZE.—US French: March, £116; April, £117 trans-shipment east coast. South African white unquoted. South African yellow: April, £75.50.

BARLEY.—English feed fob: March, £99.50 paid east coast; April-June, £103.50 seller east coast. All per tonne cif UK unless stated.

London Grain Futures Market (Gafta). EEC origin.—BARLEY was easier: March, £92.40; May, £96.05; Sept, £92.25; Nov, £96.55; Jan, £100.50. Sales, 291 lots. WHEAT was easier: March, £94.10; May, £97.90; Sept, £94.55; Nov, £98.60; Jan, £102.65. Sales, 244 lots.

Home-Grown Cereals Authority.—Location ex-farm spot prices:

	WHEAT	Other WHEAT	BARLEY
Eastern	—	£95.80	£93.70
E. Midlands	£96.20	£95.30	£93
N. East	—	£96.30	£93.90
Scotland	—	—	£92.70

MEAT COMMISSION: Average fatstock prices at representative markets on March 10. GB cattle 81.78p per kg LW (+1.25). UK sheep 161.7p per kg Est DCW (−2.6). GB pigs 67.6p per kg LW (+2.3). England and Wales: Cattle numbers down 4.4 per cent, average price 82.42p (+1.68). Sheep numbers down 0.1 per cent, average price 160.5p (−0.9). Pig numbers up 5.8 per cent, average price 67.6p (+2.3). Scotland: Cattle numbers up 0.9 per cent, average price 78.75p (−0.24). Sheep numbers down 45.7 per cent, average price 157.5p (−4.3). Pig numbers down 2.6 per cent, average price 70.2p (+1.5).

LME metal stocks

Stocks in London Metal Exchange official warehouses at the end of the last week (all in tonnes except silver) were: copper fell 1,250 to 115,925; tin fell 530 to 3,795; lead fell 1,175 to 7,725; zinc rose 675 to 47,425; aluminium rose 1,150 to 35,325; nickel fell 414 to 6,810; silver rose 100,000 to 13,330,000 troy ounces.

Joseph Stocks marches on

On top of record results in 1978-79, Joseph Stocks and Sons (Holdings) is still making progress in the current year. Although turnover rose by only 4 per cent to £23.24m, pretax profits were up by 42 per cent to £382,000 in the half-year to September 30.

Recent Issues

	Closing Price
Berkeley Explor m 11 Ord (£1)	[illegible]
Brent Chem 10p Ord (70)	[illegible]
Exchequer 13½% 1983 (£96½)	[illegible]
Exchequer 14% 1984 (£96½)	[illegible]
Hanson Pub Ord (128)	165
Keen Inc Tst 5p Ord (10)	11¼
Spring Grove Ord (70)	[illegible]
Treasury 14% 1980-81	[illegible]
Treasury 14% 1996 (£96½)	[illegible]
Treasury 13¾% A 2000-03 (£91½)	[illegible]

RIGHTS ISSUES	Latest date of renunc	
AGB Research Ord (136)		32 prem

Issue price in parentheses. * Ex dividend. + Issued by tender. ‖ Nil paid. a £10 paid. b £30 paid. ‡ Fully paid. c 50p paid. n 10l paid.

Mugabe victory may have cast a shadow over platinum supply

There is speculation in the United States that the rise in the price of platinum has been caused by Mr Robert Mugabe's victory in the Rhodesian elections.

Mr Jack Boyd, a commodities specialist for Drexel Burnham Lambert Inc. is quoted by AP-Dow Jones as saying that some speculators believe that a government led by Mr Mugabe has "cast a shadow over South Africa and a substantial percentage of the world's platinum supply."

Last Wednesday free market platinum reached a record price of $1,047.50 (£466.50) per troy ounce, a rise of $87.50 (£35.60) on the previous day.

It is on the New York platinum futures market, which is dominated by speculators, that the price pressure is believed to have arisen. But aside from any backlash from the Rhodesian election result, platinum has for some time been the strongest of the precious metals.

A tight supply situation has been made worse by the action of the Soviet Union in switching from selling to buying, for unexplained reasons.

Apart from its uses in jewelry, the metal plays a leading role on car anti-pollution devices and is used in jet engine linings and as a catalyst in petroleum refining.

But the sharp rise in the price will not affect many industrial users because only 10 per cent of supplies is sold on the free market: the rest is bought by industry direct from the South African producers at a fixed price—at present $420 per ounce.

However, some dealers believe that the producers may soon raise their price to industry to $500 an ounce in view of the surge in the free market price.

Some London dealers are said to suspect that the South African producers may already be charging Japanese distributors premiums of as much as $200 because the Japanese are believed to be recycling platinum bought at the producer price on to the free market through Switzerland to collect the higher price.

However, Mr Derek Dumenil, a director of Johnson Matthey, the sales agent for Rustenberg Mines, has said that the mine is not "reprimanding" the Japanese. "Various fees may be charged to many customers, but they do not amount to even $50."

With the rise in the free market price, increased activity by speculators is expected and there are even rumours in London of an attempt to corner the market.

But Mr Fred Collender, a director of M. L. Doxford, the London metal dealers, has pointed out that the market cannot be cornered on the basis of only 10 per cent of world production.

Commodities

Monitoring problems. Obviously the talks he has recently had in London with the commodity organizations have had some influence on the thinking of Mr James Stone, chairman of the United States Commodity Futures Commission.

He has said in Washington that characteristics of international commodity markets may make them unsuited to effective monitoring by traditional methods.

Commenting on his London talks, he said: "I now share some of their doubts about the practicality of applying our traditional surveillance approach to today's international commodity markets."

The surveillance system of the CFTC essentially depended on watching the ratio of projected open interest to deliverable supply, he said.

An alternative regulatory approach might be the British method of restricting market entry when proposed positions were threateningly large, or the CFTC could require, as a condition of using United States futures markets, that all traders agree to provide full ownership information or face liquidation of their accounts.

"One could seek out creative safety valve mechanisms for tight markets, automatically altering the delivery terms or the required medium of delivery", he said.

The CFTC staff is drafting recommendations for stricter regulation of foreign participants in United States futures markets and to improve the accuracy of information from foreigners.

Mr David Gartner, a CFTC commissioner, has said that the time might be right to re-evaluate the role of government in the futures business. Government involvement was necessary, to a degree, but "as soon as regulation strays from its designated goal of righting imbalances in the market place and begins to dictate how the market should operate, it becomes a superfluous and costly burden on commerce".

Industry and government must recognize that they were, for the most part, partners and not adversaries.

Wallace Jackson
Commodities Editor

Wall Street

New York, March 10.—Gold, silver and oil issues extended recent losses as the stock market moved broadly lower in active trading this morning. Declines led advances eight-to-three and the Dow Jones industrial average eased a fraction.

Volume leader Mobil eased ¾ to 76⅞, Texaco ⅜ to 35⅝, Exxon ⅜ to 60⅛, Superior Oil 3⅛ to 149, Pennzoil 1⅛ to 42⅞ and Atlantic Richfield ⅞ to 92.

Among gold and silver shares, Asa Ltd dropped 1¼ to 45, Dome Mines 1⅛ to 67⅞, Campbell Redlake ⅞ to 33⅞, Hecla 2⅛ to 41⅞ and Handy and Harman 1⅞ to 44p.

Wall St was awaiting some anti-inflation action from the White House. There was much speculation that a key ingredient would be a crackdown on revolving credit, which has surged in the past few years.

March 7: The Dow Jones industrial average closed 7.51 points down at 820.56.

Polly Peck about turn over bid

By Philip Robinson

Mr Raymond Zelker, chairman of clothesmaker and retailer Polly Peck (Holdings) yesterday told shareholders not to accept a 9p a share bid for his company just a month after agreeing to it himself.

The reason is that since the offer was made by the private Jersey-based Restro Investment group, indirectly owned by Mr Asil Nadir, chairman of clothes wholesaler, Wearwell, the Polly Peck price has tripled from 7½p to nearly 23p.

In the offer document from Wearwell, Mr Zelker says that when the 9p offer was made, the company, which has not paid a dividend since 1975, was experiencing difficult trading conditions and the price was considered fair and reasonable.

But since then the price has soared, and Mr Zelker tells shareholders that now it is unlikely to be in their interest to accept the offer "unless and until" the price in the stock market falls below the offer price.

Mr Zelker, his wife Sybil and fellow director Mr Derek Hayes, are stuck with 9p for their combined near-three million shares, representing 57 per cent of the group.

Foreign exchange report

The dollar was in renewed demand on foreign exchange markets yesterday closing around its best levels of the day. The pound, in step with a broad decline of other major currencies, finished the session 1.20 cents lower at 2.2165 compared with 2.2285 on Friday. The trade weighted index on the other hand was able to recoup a 0.1 point fall at noon, closing unchanged at 71.9.

Expectations of more United States anti-inflation measures continued to boost the dollar. It moved up to 1.8095 against the D-mark from 1.7950, and made useful gains at the expense of the Swiss franc 1.7305 (1.7150), and the French franc 4.2275 (4.1985). Talk of another rise in the discount rate helped to bolster the yen at 247.60 compared with 247.50 previously.

Sterling Spot and Forward

	Market rates (day's range) March 10	Market rates (close) March 10	1 month	3 months
New York	$2.2145-2240	$2.2160-2170	.05c prem-.05c prem	.07-.17c prem
Montreal	$2.5695-5810	$2.5765-5795	1.10-1.00c prem	2.30-2.10c prem
Amsterdam	4.38-40½fl	4.39½-40½fl	[illegible]	[illegible]
Brussels	64.55-65.25f	65.15-25f	15-5c prem	45-35c prem
Copenhagen	12.49-54k	12.53-54k	Not available	
Dublin	[illegible]	[illegible]	0-10p disc	15-35p disc
Frankfurt	3.99-4.02½m	4.00½-01½m	[illegible]	[illegible]
Lisbon	108.40-109.40e	108.55-75e	10-40c disc	105-135c disc
Madrid	149.40-150.30p	149.90-60p	45-85c disc	[illegible]
Milan	1867-1861lr	[illegible]	par-3lr disc	[illegible]
Oslo	11.06-13¼k	11.10½-11¼k	220-160ore prem	620-500ore prem
Paris	[illegible]	[illegible]	[illegible]	[illegible]
Stockholm	9.46½-51½k	9.50-51k	210-170ore prem	[illegible]
Tokyo	547-555y	[illegible]	115-100y prem	[illegible]
Vienna	28.40-55sch	28.65-70sch	1050-950gro prem	[illegible]
Zurich	3.81½-85½f	3.84½-85½f	[illegible]	[illegible]

Effective exchange rate compared to December 21, 1971, was 71.9, unchanged.

Sterling: Other Markets

Australia	2.01-2.0280
Bahrain	0.8340-0.8540
Finland	8.44240-8.54640
Greece	85.90-87.90
Hongkong	10.9810-11.0310
Iran	Not available
Kuwait	59.70-62.70
Malaysia	4.8625-4.8925
Mexico	50.00-52.50
New Zealand	2.2950-2.3150
Saudi Arabia	7.40-7.45
Singapore	4.84-4.87
South Africa	1.7910-1.8090

Dollar Spot Rates

* Ireland	[illegible]
† Canada	[illegible]
Netherlands	[illegible]
Belgium	[illegible]
Denmark	[illegible]
West Germany	[illegible]
Portugal	[illegible]
Spain	[illegible]
Italy	[illegible]
Norway	5.0420-5.0480
France	4.2260-4.2285
Sweden	4.2850-4.2865
Japan	247.55-247.70
Austria	[illegible]
Switzerland	1.7300-1.7310

* Ireland quoted in US currency. † Canada $1: US $0.8591-0.8594.

EMS European Currency Rates

	ECU central rates	currency against ECU	% change from central rate	% change adjusted*	divergence limit %
Belgian franc	39.7897	40.5828	1.99	2.99	[illegible]
Danish krone	7.7235	7.81456	1.17	1.17	1.64
German D-mark	2.48208	2.50144	0.78	0.78	1.125
French franc	5.84700	5.85193	0.08	0.08	1.3597
Dutch guilder	2.74362	2.73081	−0.14	−0.14	1.512
Irish punt	0.668201	0.677966	1.38	1.38	1.665
Italian lira	1157.79	1162.36	0.31	0.31	4.08

† changes are for the ECU therefore positive change denotes weak currency. * adjusted for sterling's weight in the ECU, and for the lira's wider divergence limits. Adjustment calculated by The Times.

Gold

Gold fixed: am, $600 (an ounce); pm, $595; close, $595.5.

Krugerrand (per coin): $598-606 (£266.25-268.75).

Sovereigns (new): $150-154 (£67.75-69.5).

Euro-$ Deposits

(%) calls, [illegible]; seven days, [illegible]; one month, [illegible]; three months, [illegible]; six months, [illegible].

Discount market

The Bank of England relieved a moderate shortage of funds on Lombard Street yesterday by purchasing bills from the discount houses and the banks. The quantity of Treasury bills bought was itself of moderate size, and this was topped up with a small number of local authority bills.

Rates opened around 16¼ per cent, but went up to 16¾—17 per cent for secured funds when it became clear that things were going to be rather tighter than anticipated. In general, progress was rather slow, though money came out from time to time. An uneven spell in the afternoon saw rates at one stage climb up to 17 per cent, but they came off in the late minutes before the close. Books were then ruled off within bounds of 14 per cent and 16¼ per cent.

Bank Base Rates

ABN Bank	17%
Barclays Bank	17%
BCCI Bank	17%
Consolidated Crdts	17%
C. Hoare & Co	*17%
Lloyds Bank	17%
London Mercantile	17%
Midland Bank	17%
Nat Westminster	17%
Rossminster	17%
TSB	17%
Williams and Glyn's	17%

* 7 day deposit on sums of £10,000 and under 15%, up to £25,000 15¼%, over £25,000 15½%.

Money Market Rates

Bank of England Minimum Lending Rate 17%
(Last changed 15/11/79)
Clearing Banks Base Rate 17%
Discount Mkt Loans %
Overnight: High 17 Low 14
Week Fixed: 16½-16¾

Treasury Bills (Dis%)
Buying: 2 months [illegible]; 3 months [illegible]
Selling: 2 months [illegible]; 3 months [illegible]

Prime Bank Bills (Dis%) Trades (Dis%): [illegible]

Local Authority Bonds: [illegible]

Secondary Mkt. £CD Rates (%): [illegible]

Local Authority Market (%): [illegible]

Interbank Market (%): Overnight: Open 17¼-17, Close 16¾; [illegible]

First Class Finance Houses (Mkt. Rate%): [illegible]

Finance House Base Rate 17½%

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621-1212

The Over-the-Counter Market

1979/80 High	1979/80 Low	Company	Price	Ch'ge	Gross Div(p)	Yld %	P/E
99	70	Airsprung Group	71	—	6.7	9.4	*4.2
50	35	Armitage & Rhodes	35	−1	3.8	10.9	*2.3
237	185	Bardon Hill	237	—	13.8	5.8	*6.9
100	85	County Cars Pref	85	—	15.3	18.0	—
101	63	Deborah Ord	93	+1	5.0	5.4	10.2
100	88	Frank Horsell	100	—	7.9	7.9	6.2
129	100	Frederick Parker	100xd	−7	12.8	12.8	*4.6
156	102	George Blair	105	—	16.5	15.7	*—
66	45	Jackson Group	66	—	5.2	7.9	*3.9
153	113	James Burrough	116	—	7.2	6.2	10.2
300	242	Robert Jenkins	255	—	31.3	12.3	*8.1
232	175	Torday Limited	217	—	14.3	6.6	*5.6
34	16¾	Twinlock Ord	19	−½	0.8	4.4	*3.6
80	70	Twinlock 12% ULS	76	—	12.0	15.8	—
56	23	Unilock Holdings	50	—	2.6	5.2	10.6
87	42	Walter Alexander	87	—	4.4	5.0	5.8
190	136	W. S. Yeates	181	—	11.5	6.3	7.0

* Accounts prepared under provision of SSAP15.

Stock Exchange Prices

Nervous start to accounts

ACCOUNT DAYS: Dealings Began, March 10. Dealings End, March 21. § Contango Day, March 24. Settlement Day, March 31.

§ Forward bargains are permitted on two previous days

BRITISH FUNDS

SHORTS

1979-80 High	Low	Stock			Price	Ch'ge	Int. only Yield	Gross Red. Yield
99 15/16	93¼	Treas	9½%	1980	95⅝	+1/16	[illegible]	[illegible]
97	92½	Treas	3½%	1977-80	96⅞	+⅛	3.614	15.848
97½	92⅝	Fund	5¼%	1978-80	97½	+⅛	5.387	15.011
103⅞	97⅞	Exch	13%	1980	97⅞	..	13.282	16.034
101 11/16	94 15/16	Treas	11½%	1981	96⅞	+1/16	11.871	15.402
93⅝	88⅝	Treas	3½%	1979-81	91⅞	..	3.810	12.997
98⅝	91 13/16	Treas	9¾%	1981	94 7/16	●+⅛	10.324	15.699
96 11/16	89¼	Exch	8¼%	1981	92	+3/16	8.968	15.478
98⅝	91	Exch	9½%	1981	92⅞	+3/16	10.228	15.346
91¼	84¼	Exch	3%	1981	89½	+⅛	3.335	12.006
105	95⅞	Exch	12¾%	1981	95 13/16	+⅛	13.307	15.610
96¾	87½	Treas	8¼%	1980-82	89⅝	+⅛	[illegible]	[illegible]
89¾	82	Treas	3%	1982	85½	+⅛	[illegible]	[illegible]
105½	96⅝	Treas	14%	1982	98¼	●+⅛	14.250	15.042
95⅝	85¼	Treas	8¼%	1982	87 9/16	+3/16	[illegible]	[illegible]
97⅞	82 9/16	Exch	9¼%	1982	87 11/16	●+3/16	10.537	15.219
95⅞	84½	Exch	8¾%	1983	86 5/16	+3/16	10.139	14.838
86¼	76⅝	Exch	3%	1983	77¾	+⅛	3.859	12.209
104½	90⅝	Treas	12%	1983	92 5/16	●+3/16	12.998	15.281
97⅝	83 13/16	Treas	9¾%	1983	85 5/16	+3/16	10.810	14.867
98⅝	83½	Exch	10%	1983	85 5/16	+3/16	[illegible]	[illegible]
89½	76	Fund	5½%	1982-84	77⅝	+¼	7.085	13.074
97 19/32	86 3/16	Exch	11¼%	1984	88½	+3/16	12.712	15.212
77¼	68¼	Exch	3%	1984	69 15/16	+1/16	4.289	12.242
101¼	87⅞	Treas	12%	1984	88⅝	●+⅛	6.121	15.239

MEDIUMS

1979-80 High	Low	Stock			Price	Ch'ge	Int. only Yield	Gross Red. Yield
103½	98⅛	Treas	15%	1985	99 9/16	+⅛	[illegible]	[illegible]
110	87½	Exch	12¼%	1985	92⅞	+½	13.738	15.136
[illegible]	77⅞	Treas	8½%	1984-86	80⅝	+⅛	10.732	13.487
112⅝	91⅛	Exch	13¼%	1987	94⅝	+½	14.274	14.938
84¾	70½	Fund	6½%	1985-87	72¾	+⅛	[illegible]	[illegible]
88⅝	72¾	Treas	7¾%	1985-88	73¼	+⅛	10.724	13.585
70¼	54⅞	Trans	3%	1978-88	55⅛	+⅛	5.477	11.638
95⅞	82½	Treas	11½%	1989	83⅞	+⅛	13.813	14.935
73¼	58¼	Treas	5%	1986-89	58⅝	●	[illegible]	[illegible]
114¼	97⅜	Treas	13%	1990	92⅝	+⅛	[illegible]	[illegible]

[illegible]

LONGS

[illegible]

COMMONWEALTH AND FOREIGN

[illegible]

LOCAL AUTHORITIES

[illegible]

FOREIGN STOCKS

[illegible]

DOLLAR STOCKS

[illegible]

BANKS AND DISCOUNTS

[illegible]

BREWERIES AND DISTILLERIES

[illegible]

COMMERCIAL AND INDUSTRIAL

A — B

[illegible]

C — E

[illegible]

1979/80 High	Low	Company	Price	Ch'ge	Gross Div pence	Yld %	P/E
80	44	Dunlop Hldgs	63	−1	8.0	12.7	13.8
30	20½	Duple Int	25	..	2.1	8.3	4.1
[illegible]	52	Dupont	[illegible]	..	7.5	13.4	5.1
68½	39	Durapipe Int	43	..	3.5	8.1	5.1
59	16	Dykes J. Hldgs	17	..	0.1	0.8	..
[illegible]	74	ERF Hldgs	102	−3	4.9	4.8	2.3
82	63	E Lancs Paper	66	..	5.5	8.3	5.2

[illegible]

F — H

[illegible]

I — L

[illegible]

M — N

1979/80 High	Low	Company	Price	Ch'ge	Gross Div pence	Yld %	P/E
134	81	Marchwiel	84	..	7.6	9.0	..
[illegible]	77	Marks & Spencer	92	..	4.2	4.6	13.5
104	70	Marley Ltd	91	−1	5.7	6.3	5.4
46	21	Marling Ind	27	..	1.3	4.7	6.4
55	15	Marshall Cav	18½	+½	2.5	13.4	3.8
60	32	Marshall T Lox	35	..	4.0	11.3	2.2
56	27	Do A	28	−2	4.0	14.2	1.8

[illegible]

O — S

[illegible]

T — Z

1979/80 High	Low	Company	Price	Ch'ge
486	266	Thorn Electric	314	..
20½	11	Thurgar Bardex	15½	..
333	190	Tilbury Cont	190	..
177	102	Tilling T.	130	−1
90	57	Time Products	65	−1
57	14	Titaghur Jute	50	..
22½	17	Tomkins F. H.	17	..

[illegible]

FINANCIAL TRUSTS

[illegible]

INSURANCE

[illegible]

INVESTMENT TRUSTS

[illegible]

SHIPPING

[illegible]

MINES

[illegible]

OIL

[illegible]

PROPERTY

[illegible]

RUBBER

[illegible]

TEA

[illegible]

MISCELLANEOUS

1979/80 High	Low	Company	Price	Ch'ge	Gross Div pence	Yld %	P/E
14½	7 7/16	Algoma Cen Rly	£9½	+3/16	26.0	2.8	15.1
81	41	Calcutta Elec	45	..	14.0	31.1	..
48½	41	E Surr Wtr 4.9%	£41¼	..	490	11.9	..
35½	29	Essex Wtr 3.5%	31	..	350	11.3	..
14	7¼	Gt Nthn Tele	£7¾	..	142	19.5	2.3
780	358	Imp Cont Gas	748	−22	25.7	3.4	12.9
213	125	Milford Docks	136	+3	8.0b	5.9	9.5
123	81¼	Nesco Inv	123	..	9.0	7.3	..
39½	28½	Sunderlnd Wtr	£28½	● −2	350	12.3	..

● Ex dividend. a Ex all. b Forecast dividend. c Corrected price. e Interim payment passed. f Price at suspension. g Dividend and yield exclude a special payment. h Bid for company. k Pre-merger figures. n Forecast earnings. p Ex capital distribution. r Ex rights. s Ex scrip or share split. t Tax free. y Price adjusted for late dealings. .. No significant data.

Authorized Units, Insurance & Offshore Funds

[illegible]

Law Report March 10 1980

House of Lords

Acas did not abdicate its statutory duties

Engineers and Managers' Association v Advisory, Conciliation and Arbitration Service

Before Lord Wilberforce, Lord Diplock, Lord Edmund-Davies, Lord Keith of Kinkel and Lord Scarman

[Speeches delivered on March 6]

Acas did not abdicate its statutory functions or abandon its duties under the Employment Protection Act, 1975, when in December, 1977, it resolved to defer inquiries for the time being on a reference by a trade union for recognition for collective bargaining purposes because an action beun by the referring union against the TUS was pending and issues raised in it could have a bearing on its inquiries and report.

The House of Lords, Lord Diplock and Lord Keith dissenting, allowed an appeal by Acas from the Court of Appeal (the Master of the Rolls, Lord Justice Lawton and Lord Justice Cumming-Bruce) ([1979] 1 WLR 1113), which had allowed an appeal from Mr Justice Oliver ([1978] ICR 875) by the Engineers and Managers' Association (EMA), a trade union, and had held that Acas was in breach of its statutory duties under the Act in deferring its inquiries into a recognition issue referred to it by EMA in April, 1977, for an unreasonable period. Acas's justification for deferring its consideration of the recognition issue " for the time being " was that relevant issues had been raised in an action begun by EMA against the TUC in September, 1977, which had not come to trial when the present appeal was heard in the House, and has now been settled.

A struggle between EMA, TASS (a section of the AUEW)—both affiliated to the TUC—and the United Kingdom Association of Professional Engineers (UKAPE) for recognition for collective bargaining purposes at the GEC Reactor Equipment Ltd factory at Whetstone led to a recognition reference by UKAPE in July, 1976. When EMA began recruiting for members at the factory, TASS complained to the TUC. In March, 1977, the TUC Disputes Committee awarded that EMA had infringed the disputes principles (in the 1939 Bridlington agreement), and imposed a ban on EMA recruiting. EMA had referred a recognition issue to Acas in April, 1977; in September the TUC ordered EMA not to proceed with the reference.

On October 13, 1977, EMA issued a writ against the TUC claiming a declaration that the disputes committee award was invalid. Thereupon Acas, on December 14, 1977, resolved not to proceed with the recognition reference while the EMA v TUC action was outstanding. Engineers at the factory protested.

On January 25, 1978, EMA issued a writ against Acas in the present proceedings for declarations that Acas in refusing or failing to proceed to examine and report on their recognition reference was in breach of its statutory duties. In March UKAPE was joined at its own request as second defendant in EMA's action against Acas. On April 7, 1978, on a motion by EMA for interim relief which was by agreement treated as the trial of the action, Mr Justice Oliver held in favour of Acas that it had a discretion to defer consideration of the recognition references and had not exercised that discretion unreasonably. On May 14, 1979, the Court of Appeal, having granted to the deputy general secretary of UKAPE (Mr Charles Hickling) leave to make representations in person, allowed EMA's appeal.

Mr Peter Scott, QC, and Mr Henry Brooke for Acas; Mr Simon Goldblatt, QC, and Mr Peter Clark for EMA; Mr Charles Hickling in person.

Lord Wilberforce allowed the *appeal for the reasons given by* Lord Scarman.

LORD DIPLOCK, *for dismissing* the appeal, said that the reason *Acas relied on as justifying* its two-year suspension of inquiries from December, 1977, to December, 1979, into the recognition dispute referred to it by EMA in April, 1977—the contemporaneous existence throughout that period of the pending EMA v TUC action—had been removed since that action had been settled, so that there was now no obstacle to proceeding expeditiously with its inquiries. Acas, however, had wished the House to deliver judgment for its own guidance on the limits of its discretion to suspend its inquiries into particular recognition disputes should analogous cases again arise. But in view of the narrow division of opinion in the House, due to uncertainty about what happened during the Court of Appeal hearing, his Lordship feared that that guidance might be diminished.

The crucial question was whether Acas's refusals in 1977 to proceed further with the conjoined references of UKAPE and EMA *did* amount to an abdication of its statutory functions or *whether, as the majority of their* Lordships thought, it was a mere *adjournment of the proceedings* in the lawful exercise of a statutory discretion to decide *how* references could best be conducted.

His Lordship, having regard to the circumstances in the present case and the dominant intention of Parliament in the 1975 Act, considered that where there was a power struggle between rival unions claiming to be recognized in collective bargaining about the terms of their contracts of employment, Acas was under a duty to play an active part in ending the impasse—not to sit back and passively await the outcome to be fought out in some other forum.

On the ground that by May, 1979, Acas had demonstrated that it had not simply exercised a discretion on how the reference should be conducted but had abdicated its statutory functions under section 12 to go on with it, his Lordship would have dismissed the appeal.

LORD EDMUND-DAVIES said that the relevant dates were startling, leaving little room for *doubt* that when *the case reached* the Court of Appeal in May, 1979, *and the House in* December, 1979, no progress had been made by *Acas towards resolving EMA's* reference. If what had happened *in the Court of Appeal* had been beyond all doubt, his Lordship would have *been driven to conclude* that that court's unanimous view that Acas had abandoned its statutory duties was right.

But counsel *for Acas had told* the House in strenuous terms that the Court of Appeal's *conclusion* was based on the " mistaken " belief that he, counsel for Acas, *had* informed the court that, as Lord Justice *Cumming-Bruce had put it* " . . . it is not the intention of *Acas to proceed to inquiry stage* until the uncertainties flowing from the litigation *and the dispute* between EMA and the TUC have been *finally settled* ". *Counsel* asserted that what he had *intimated to the Court of Appeal* was that having decided on December 14, 1977, *simply* " *not* to proceed with its inquiries . . . for the time being " until EMA's claims against the TUC had been determined in the courts or withdrawn ", Acas had thereafter reviewed the position periodically, keeping the matter open, and reaching a fresh conclusion on how and when they should next proceed in the light of the developing situation.

Counsel had insisted that Acas would be denied justice *if* the " mistaken " view of the Court of Appeal were to prevail. That view involved treating Acas as having abandoned *its* statutory duty; counsel's statement of what he had said supported merely a reasonable and *permissible* postponement. His Lordship could not exclude the possibility that the latter attitude might indeed have been the one adopted by *Acas. If it was*, it could not be condemned out of hand as one which no reasonable body, charged with the statutory duties *of Acas, could* properly have arrived at. So, after hesitation, *his Lordship had* concluded—in a knife-edge decision—that the appeal should be allowed. But Acas should not regard that *decision as recognising any sort* of right in Acas to make a habit *of dilatoriness. It was fettered by* the requirements of reason, and *if those were not met*, condemnation must follow.

Lord Keith agreed with *Lord* Diplock and would have dismissed *the appeal*.

LORD SCARMAN said that the *question* was *whether Acas* was entitled in the circumstances in *which it found itself to defer its* inquiries into a recognition issue *referred to it* under section 11(1). A subsidiary question was the *extent of the power of the Court* of Appeal and of the House to *have regard to events occurring* between trial and the hearing of an appeal.

The struggle between the unions at the factory burst into flames in the late 'seventies. There was serious delay imposed on the conduct of the reference by Acas's decision on December 14, 1977, and maintained ever since.

For some 3½ to 4 years the workers affected who wished to be represented by a union had waited, but were still without any decision on either reference. The determining factor in Acas's reasons for suspending its inquiries was the EMA action against the TUC.

Did Acas have power to defer or suspend proceedings on a reference, and if it had, what was the extent of the power? The answer depended on the interpretation of sections 11 to 16. The processing of a recognition issue by Acas was not forensic in character, though it imposed on Acas the obligations of natural justice; but it could make no order nor, if it recommended recognition, was there any process *available* under the law which could compel an employer to recognize a trade union. Acas's power to defer its inquiries or the preparation of its report under section 12(4) was not comparable with a court's discretion to adjourn the hearing of a case. The nature of its power depended on its statutory functions, duties and responsibilities.

The statute imposed no time *limit, no cut-off point* on the conduct of a reference. It gave Acas *a discretion to suspend inquiry* or defer a report if in its opinion *a period of suspension or deferment* would promote the improvement of industrial relations (including the extension of collective bargaining) or conversely to suspend or defer if it was of opinion that industrial relations would be worsened or collective bargaining put at risk if there were not a period of suspension. Since ascertainment of the views of the workers was a part, albeit mandatory, of its inquiries, that discretionary power extended also to that phase of the inquiry.

His Lordship agreed with Lord Diplock's formulation of the crucial question on the appeal: had Acas by the deferment abdicated its function to proceed with the reference? The courts could not intervene unless satisfied that it had.

It was not possible, in the light of evidence by Mr Norcross, a senior Acas officer, to hold that the Acas decision of December, 1977, was unreasonable. The case for deferment was much the same in April, 1978, when Mr Justice Oliver gave judgment. In particular, there was still, despite " EMA's own dilatoriness " in its action against the TUC, a reasonable probability of a not too distant trial of that action. The matters to which Acas had attached importance in 1977 remained relevant and real. Their weight in April, 1978, as at the earlier time was not for the court but for Acas to decide.

The Court of Appeal view, however, was that 13 months later, when the case reached it, the lapse of time was such that it was then unreasonable of Acas to persist any longer in deferring proceeding on the reference. It was unfortunate that that question was dealt with, not on the basis of evidence of the situation then obtaining, but on statements by counsel.

Misunderstanding of Acas's view arose because evidence was not taken, as it should have been if matters subsequent to the trial were to be relied on, as to what its view was in May, 1979. But it could not be doubted that Acas's view in May, 1979, and indeed today, remained the same as it had been on December 14, 1977, namely, that " it would not proceed, for the time being, with its inquiries ", and that it was taking " particular account of the implications of " the *TUC* action.

The question, therefore, was whether in May, 1979, the factors referred to in Mr Norcross's evidence and in particular the difficulties created by the TUC action were such that, notwithstanding the lapse of another 18 months without a decision in that action, Acas could reasonably refuse to resume the conduct of the reference. All the factors mentioned *remained relevant: but there now* had to be weighed in the balance the *serious frustrations of the* workers concerned arising from *the delay*. Further, the TUC *action* was then expected to be in February or March, 1980.

The passage of time had not lessened *the difficulties of eliciting* the workers' opinions fairly and accurately. Because of EMA's *failure to bring the TUC action to* trial, Acas was in no better position in 1979 *than it had been in* 1977 either to reach a proper conclusion on the *survey of workers'* opinions or to report. If Acas proceeded *to a report, it might* well find it impossible to make any *recommendation. And it* still remained Acas's duty, on industrial *relations grounds, to take* account of the TUC award, if lawful, *before determining* EMA's reference.

Could it therefore be said that Acas in May, 1979, was acting as no *reasonable body with its statutory duties could properly act? Was its decision to continue deferment an abdication of its statutory function? His Lordship thought not.* Workers did not have a right to have the trade *union of which* they were members recognized for the purpose of collective bargaining, even if a substantial number of them belonged to that *union*: for no employer could be compelled to recognize a trade union.

Though the workers' opinions were a relevant and important matter which Acas was bound to ascertain before it recommended, or refused to recommend recognition, Acas had to form its own view on what was best for the promotion of improved industrial relations and the extension of collective bargaining. The Court of Appeal erred in substituting its judgment for that of Acas.

The appeal reached the House in December, 1979, when the TUC action trial was only a few months away. It must then be reasonable to await its outcome. His Lordship would allow the appeal.

His Lordship had reached his conclusion on the merits as *he saw* them. In so doing he had assumed, on the subsidiary question, *that the* Court of Appeal and the House might, *if justice required it, have* regard to events subsequent to trial *in determining an appeal*. But if an appellate court was disposed to *allow an appeal* on the basis of events subsequent to trial, it must be *astute to* ensure that it did so on evidence, which could include *admissions* by counsel.

However, in the present case, a *statement* by counsel was an insecure foundation for forming a view *on* whether Acas, a statutory body whose duties lay in a complex and specialized field, had since trial abdicated its statutory functions. The Court of Appeal did less than justice to Acas in relying on what it understood counsel to be saying. It should have invited Acas to file further evidence. Fortunately enough was now known of Acas's position to enable a judgment to be formed on whether in May, 1979, it was abdicating its statutory function. In his Lordship's opinion it was not.

Solicitors: Treasury Solicitor; Lawford & Co.

Solicitors' bills of costs

Davidsons v Jones-Fenleigh

The Court of Appeal, following In re Romer & Haslam ([1893] 2QB 286), *held that solicitors' bills of costs, submitted from time to time in the course of a protracted action, should be regarded as separate bills for the purpose of taxation under the Solicitors Act, 1974, rather than as one complete bill, provided that it is clear that the solicitor's intention is that they should be treated as final bills of costs and not as payments on account.*

Their Lordships allowed an appeal by the plaintiff solicitors, Messrs Davidsons, of North London, from the decision of Mr Justice McNeill, sitting in chambers, upholding part of an order of Master Jacob, upon the hearing of the plaintiff's summons under RSC Order 14, granting the defendant, Mr J. Jones-Fenleigh, conditional leave to defend an action brought by his solicitors for payment of the balance outstanding on a bill of costs submitted in respect of their conduct of proceedings relating to the defendant's matrimonial affairs. The part of the order appealed against was that requiring the bill of costs which was the subject of the action, together with three other bills of costs which had been settled more than 12 months before, to be taxed under section 70(3) of the Solicitors Act, on the basis that the four bills should be treated as one for the purposes of taxation.

LORD JUSTICE STEPHENSON said that it was conceded that the fourth bill of costs was liable to taxation since *the application for* taxation was made before the time *limited by section 70(3). But, if* the other three bills were separate *bills, then they could only* be taxed in a proper application under the inherent *jurisdiction* of the court, as they fell within section 70(4). The issue was whether or not the bills should be regarded as *four individual bills* or one single bill.

Before the fusion of law and equity, the common law stated that a solicitor was not entitled to be paid until he had completed his duties in the action for which he had been retained. After fusion, as cases became more complex, that rigid rule began to be mitigated on pragmatic grounds, and by the time *In re Romer & Haslam* came to be decided, it was recognized that a solicitor in a lingering and protracted action was entitled in equity, at a point he regarded as an appropriate break in the action, to send in a bill of costs in final settlement of work done to date. But before it could be treated as a final bill rather than as a request for a payment on account, the solicitor had to make that clear at the time.

Applying that principle to the present case, his Lordship said that there was a clear intention on the part of the solicitor that the bills should be treated as individual bills in final settlement of work done to date. It was quite plain that, in the light of *In re Romer & Haslam*, the four bills were separate bills, and it followed that only the last of them was liable to taxation under the Solicitors Act.

Lord Justice Eveleigh agreed.

Imperial Tobacco Spot Cash scheme

We regret that in *Imperial Tobacco Ltd and Another v Attorney General* (March 7) it was wrongly stated that the Spot Cash Scheme of Imperial Tobacco Ltd was an unlawful competition within section 14(1) of the Lotteries and Amusements Act, 1976. The House of Lords was unanimous in deciding that the scheme was not a competition which offended against the section.

Their Lordships agreed with Viscount Dilhorne that there should *be no order* as to costs in the House or below.

Salerooms and Antiques

Legal appointments

LEGAL NOTICES

No. 00379 of 1980
In the HIGH COURT OF JUSTICE Chancery Division Companies Court In the Matter of BEENEY RAPID TLX Services Limited and In the Matter of the Companies Act 1948.

A petition to wind up the above-named company presented on 28th January 1980 by CLIFFORD JOHN WELLS-BEENEY of 49 Tandridge Drive, Orpington, Kent, claiming to be a contributory of the Company will be heard at the Royal Courts of Justice, Strand, London WC2A 2LL on Monday the 24th March 1980.

Any creditor or contributory wishing to oppose or support must ensure that written notice reaches the undersigned by 1600 hours on Friday the 21st March 1980. A copy of the petition will be supplied by the undersigned on payment of the prescribed charge.

LATTER & WILLETT, of 27 Widmore Road, Bromley, Kent. Solicitor for the Petitioner.

PUBLIC NOTICES

QUEBEC CENTRAL RAILWAY COMPANY
NOTICE TO SHAREHOLDERS

Notice is hereby given that the Annual General Meeting of the Shareholders of Quebec Central Railway Company will be held at the Offices of Canadian Pacific Limited, Room E-202 Windsor Station, Montreal, Canada, on Wednesday, the 16th day of April, 1980, at the hour of 11.00 o'clock in the forenoon, for the adoption of the Financial statements of the Company as at December 31, 1979; the election of two directors to represent the Security Holders of the Company until the next Annual General Meeting of the Company; the appointment of the auditor of the Company; and for the transaction of business generally.

Dated at Montreal, Canada, this 1st day of February, 1980.
R. L. PARTRIDGE, Secretary.

Notice is hereby given that MARIOS JOANNIDES of 13 Birley Lodge, 65 Acacia Road, London N.W.8, is applying to the Home Secretary for NATURALISATION, and any person who knows any reason why naturalisation should not be granted should send a written and signed statement of the facts to the Under Secretary of State, Home Office, (Nationality Division), Lunar House, Wellesley Road, Croydon CR9 2BY.

PERSONAL CHOICE

...ill Henderson is Ken Calder, Glendarroch's garage man, in ...ake the High Road (ITV, 1.30)

I can't say I was terribly impressed with the Armchair ...hriller that ended last week, Fear of God. It was too self-...onsciously quirky and bordered on the ridiculous in parts. ...onight, however, sees the start of a new one which seems to ...ave all the classic hallmarks. High Tide (ITV, 8.00) stars Ian ...cShane (with the television Disraeli thankfully forgotten) as ...man released from prison after serving a sentence for ...anslaughter. He has paid his debt to society, as they say, and is ...oking for a quiet life—but there are people determined not to ...t him have a minute's peace until they learn the dying words ...the man he killed. And then there's a mysterious hitch-hiker ...lled Celia, who is not quite what she seems. McShane is a fine ...tor—though he has not always been given scripts to match—...d High Tide looks like the perfect vehicle for him. There is a ...ugh worldweariness about the character which somehow ...anages to evoke sympathy, and the combination is one in which ...cShane will shine. Other stars are Kika Markham, Wendy ...organ, John Bird and Terency Rigby.

Flesh and Blood (BBC 1, 9.25) ends tonight with all the loose ...ds tied up but enough uncertainty left to make room for a ...cond series. I for one shall not be too sorry to see it go. John ...nch has done better. The Northern grittiness just did not come ...f: it seemed like caricature. And the Brassingtons were simply ...t interesting enough, the storylines too loose to hold my ...tention for very long. Still there was a kind of compulsion to ...atch it which did not arise simply from the fact that it was a ...rial and one had to know how it all turned out. Perhaps it was ...at it sometimes made me angry.

Alan Sillitoe is the hero of Writers and Places (BBC 2, 8.30)—perhaps the real hero is Nottingham, which gave him his ...spiration. He looks back on 18 years of growing determination ...get away from the place and how that influenced Saturday ...ght and Sunday Morning.

History is usually good box-office and the new series In ...arch Of... (BBC 2, 7.15) has the added attraction of going ...y back before the Norman Conquest. Boadicea, Queen of the ...ni and an early example of a guerrilla leader, is the subject of ...first programme and the series continues throughout the ...ek with King Arthur, Offa (of Dyke fame) and Alfred ...Great.

...IAT THE SYMBOLS MEAN: †STEREO; *BLACK AND WHITE; REPEAT.

Broadcasting Guide

Edited by David Sinclair

TELEVISION

BBC 1

6.40 am Open University: Impacts of Mining; *7.05* Chemistry of Carbon Compounds; *7.30* Drifting Continents. Closedown at 7.55.
9.35 For Schools, Colleges: Mathshow (r); **9.58** Maths-in-a-Box Weight Watchers); **10.16** Look and Read (The Boy from Space); **10.38** Resource Units; **11.13** History (r); **11.00** Watch (r); **11.17** Television Club (r); **11.38** Shakespeare in Perspective (Twelfth Night); **12.05** General Studies, Painting (r). Closedown at 12.30.
12.45 pm news.
1.00 Pebble Mill at One: Steam-driven lawnmowers on parade and an outside broadcast from Cheltenham races. Also the regulars Family Matters and Painting Made Easy.
1.45 Trumpton: Puppet Series (r).
2.00 You and Me: *Will it Mend* (r).
2.14 For Schools, Colleges: *Treffpunkt Deutschland* (r); **2.40** Home Economics (r). Closedown at 3.00.
3.55 Play School: The story is The Brush Man by Margaret Joy.
4.20 Yogi Bear: Cartoon series.
4.25 Jackanory: Jenny Agutter *continues her reading of The Mill* House Cat.
4.40 On Location: John Mundy presents a film about the making of the popular children's series God's Wonderful Railway (episode 3 on Wednesday) and talks to its young stars.
5.05 John Craven's Newsround.
5.15 Rentaghost: Episode 2. The ghosts have to look after Mr Meaker, who is ill in bed, while Mrs M exercises her lungs with the aim of becoming a professional singer.
5.40 News with Richard Baker.
5.55 Nationwide, including Glyn Worsnip's Home Office.
7.00 The Osmonds: This week we look at how an Osmonds show is put together.
7.30 Life on Earth: *Building Bodies.* David Attenborough *in search of clues to how the first primitive animals evolved in the oceans.*
8.25 Sweet Nothings: Final episode. Things are not quite over for Tom and Mary Fearon. Starring Tom Bell and Lynn Farleigh.
9.00 News with Richard Baker.
9.25 Flesh and Blood: Last Episode (see Personal Choice).
10.15 Graham Sutherland: *Omnibus tribute to the great* English painter, who died in February. The film, enhanced by Sutherland's own words about himself and the controversies which often surrounded him, traces his whole career.
11.00 Platform One: Kingman Brewster, the American Ambassador, talks to Richard Kershaw.
11.30 News headlines, weather.

Regions

BBC VARIATIONS: Wales: 10.38 am I Yegolion. 4.40 pm Crystal Tipps and Alistair. 4.45 Yn Noson Dywyll. 5.55 Wales Today. 7.00 Heddiw. 11.30 News and weather. Close. **Scotland:** 10.38 am For Schools. 12.40 pm News. 5.55 Reporting Scotland. 7.00 The Osmonds. 10.15 Current Account. 10.45 Can Seo. 11.20 Write Away. 11.35 News and weather. Close. **Northern Ireland:** 10.38 am For Schools. 3.53 pm News. 5.55 Scene Around Six. 7.00 Children and their Music. 10.15 Spotlight. 10.45 Graham Sutherland. 11.30 News and weather. Close. **England:** 5.55 pm Regional Magazines. *7.00 East.* Man's Estate. London and South East. The Osmonds. Midlands. The Sign of the *Dragon.North.* Lifelines. North East. Look Natural. North West. Ready Eddie Go. South. All Change for ... Brighton. South West. Over to You. West. Sports Show. 11.35 pm Close.

BBC 2

6.40 am Open University: Engines of War; **7.05** Family and Handicap
7.30 Database: Local Authorities. Close down at 7.55.
10.05 Educate, Agitate, Organize: Final programme in the series for trade unionists on democracy at work.
10.30 Lost For Words: *Last of the series to help speech—impaired people concentrates on the difficulties of the elderly* (repeat from Sunday).
11.00 Play School: Same as BBC 1 at 3.55.
11.25 Write Away: *Memory aids* for spelling (repeat from Sunday).
11.40 It's a Great Life: *Unemployment* (repeat from Sunday). Close down at 12.05 pm.
1.00 Dilemmas: Professor Bernard Williams on the search for happiness (r).
1.30 Propaganda with Facts: Last of the series about the cinema and public opinion in the 1940s (r).
2.00 Racing from Cheltenham: Four races in the National Hunt Festival. Close down at 4.20.
4.50 Open University: *Maths—Isomorphisms*; **5.15** Earth Materials, 2.
5.40 Flash Gordon: Episode 10, The Unseen Peril.*
6.00 The Waltons: There seems to be a poltergeist about.
6.45 Racing: Highlights of the first day at Cheltenham.
7.05 News *with subtitles for the* hard of hearing.
7.15 In Search of Boadicea: New series (see Personal Choice).
8.00 Change of Direction: With Chris Gallagher, paralysed from the waist down after an accident.
8.30 Writers and Places: Alan Sillitoe (see Personal Choice).
9.00 Old Boyfriends: Film in the Movie Showcase series of recent critical successes. Made as recently as *1979 and directed by* Joan Tewkesbury, who wrote many of *Robert Altman's scripts, it is the* story of a divorcee who tries to put her life in perspective by calling on some of her old boyfriends.
10.40 Cartoon Two: Walking. Canadian animated film.
10.45 Newsnight. *How safe is* Aldermaston, the secret nuclear *weapons establishment?*
11.30 The Old Grey Whistle Test: Anne Nightingale introduces The fabulous Thunderbirds and John Cooper Clarke.
12.15 am Close down.

THAMES

9.30 am For Schools: Experiment. **9.47** Seeing and Doing (zoos, etc). **10.04** Reading with Lenny. **10.16** Work. **10.35** The English programme. **11.05** Leapfrog (mathematical magazine). **11.22** Look Around (Oil). **11.39** The Land (River Valleys).
12.00 Paperplay: *Susan Stranks* makes a model houseboat, helped by Itsy and Bitsy, of course.
12.10 pm Pipkins.
12.30 The Sullivans: Second World War adventures in Australia.
1.00 News with Peter Sissons. **1.20** Thames News with Robin Houston.
1.30 Take the High Road: Elizabeth Cunningham *calls on her ex-hus*band for help in sorting out their *daughter.*
2.00 After Noon Plus: An East End firm of salmon smokers take their products to the Bahrain food fair. Also, a new guide to alternative medicines.
2.45 Wilde Alliance: Time and Again. Rupert becomes involved with the underworld. With John Stride, Julia Foster, Anthony Bate.
3.45 Three Little Words: Two new *contestants in the quiz.*
4.15 Pop Gospel, with Garth Hewitt, Berni Flint and their guests.
4.45 Magpie: A visit to a Welsh school, a look at Indian dancing, a display of whistles and some animal Olympics. With Jenny Hanley, Mick Robertson and Tommy Boyd.
5.15 Emmerdale Farm: Strange noises in the walls upset Amos Brearly, landlord of the Woolpack.
5.45 News.
6.00 Thames News with Andrew Gardner.
6.24 **Help!** with Joan Shenton. Appeal for volunteers to run playschemes summer projects for the five to 11 age group in Barnet and Croydon.
6.35 Crossroads: Chris Hunter turns on his father (again) and Adam does not have things all *his* own way with Miranda.
7.00 Charlie's Angels: Another case for the dolly detectives.
8.00 Armchair Thriller: High Tide (see Personal Choice).
8.30 Leave it to Charlie: The funny side of the insurance business.
9.00 Hollywood: The Man with the *Megaphone. How the great silent movie directors worked.*
10.00 News...
10.30 Frenzy: 1972 Alfred Hitchcock classic, with a screenplay by Anthony Shaffer, about an old school tie murderer in London. A positive galaxy of good old British stars, including Jon Finch, Barry Foster and Alec McCowen. Highly recommended.
12.35 am Close: *Anna Ford reads a* poem by Dylan Thomas Do Not *Go Gentle into That Good Night.*

Gwen Cherrell who plays the absent-minded wife in Granada Television's comedy series Leave it to Charlie (ITV, 8.30)

RADIO

Radio 4

6.00 am News Briefing.
6.10 Farming.
6.30 Today.
8.35 Yesterday in Parliament.
9.00 News.
9.05 Tuesday Call.
10.00 *News.*
10.05 In Britain Now.
10.30 Daily Service.
10.45 Story Time.
11.00 News.
11.05 Play: 'What Colour is the Sea?'
11.35 Local Edition.
12.00 News.
12.02 pm You and Yours.
12.20 Down Your Way.
12.55 Weather.
1.00 News.
1.35 Labour Party political broadcast.
1.40 The Archers.
2.00 News.
2.02 Woman's Hour.
3.00 News.
3.02 Listen with Mother.
3.15 Women in Love.
4.10 Bookshelf.
4.45 Short Story.
5.00 PM News magazine.
5.55 Weather.
6.00 News.
6.30 Just a Minute.†
7.00 *News.*
7.05 The Archers.
7.20 The Restless Years.
8.05 In Touch.
8.30 Choirs of Wales (2).†
9.15 From Our Own Correspondent.
9.30 Kaleidoscope.
10.00 The World Tonight.
10.30 *The Hornblower Story.*†
11.00 A Book at Bedtime.
11.15 Financial World Tonight.
11.30 Today in Parliament.
12.00 News.
12.15 am-12.23 Shipping forecast.
VHF
6.50 am Regional news, weather.
7.50 Regional news, weather.
9.05-10.30 SCHOOLS: *Music Interlude*; Voix de France; Deutsch für die Oberstufe; The World of Work; Playtime.
10.45-12.00 Schools: La France Aujourd'hui; *Let's Move!* Music Club; Introducing Silence.
2.00 pm-3.00 Schools: HISTORY: Days that Made *History*; *Stories* and Rhymes.
5.50 *Regional news, weather.*
11.00 Study on 4: Por aqui (19).
11.30-12.10 am Open University: Petrarch; Poverty and Crime.

Radio 3

6.55 am Weather.
7.00 News.
7.05 Records: Berlioz, Saint-Saëns, Bizet.†
8.00 News.
8.05 Records: Beethoven, mozart, Haydn.†
9.00 News.
9.05 Week's Composers: At the Court of Gustav III.
9.45 Piano: Bartok.†
10.15 *The Trio-Sonata.*†
11.10 New Music Group of Scotland: Schoenberg, Ravel.†
12.10 pm BBC Welsh SO, part 1: Mozart, Horovitz.
1.00 News.
1.05 Six Continents.
1.25 BBC Welsh SO part 2: Tchaikovsky.†
2.15 Schumann and Quilter Songs.†
2.55 Chamber music: Hindemith.†
3.25 *Symphonies from Eastern* Europe: Smetana.†
4.25 *Jazz Today.*†
4.55 News.
5.00 *Mainly for Pleasure.*
7.00 Stravinsky Miniatures.†
7.30 Play: We all Come to it in the End, by Don Haworth.
8.45 Schubert.†
9.15 Drottningholm: A Theatre Lost and Found.†
10.15 St David's Music Week, part 1: Bach, Tomkins, Jones.†
11.00 *Reading.
11.10 *Concert, part 2: Varese, Poulenc, Bach.
11.55-12.00 News.
VHF
6.00-7.08 am Open University: Curriculum Design and Development; The Digital Computer; International Biology Programme.
6.20-7.00 pm Open University: Personality Assessment; Fuel Cells.

Radio 2

5.00 am News, weather. **5.03** Ray *Moore.*† *7.32 Terry Wogan.*† **10.3** Jimmy Young.† **12.03 pm** David Hamilton.† **2.03** Steve Jones.† **4.03** Much More Music.† **5.00** News. **5.05** Waggoners' Walk. **5.20** Much More Music.† **6.03** Derek Hobson.† **8.02** Hubert Gregg. **9.02** Glamorous Nights.† **9.55** Sports Desk. **10.02** Frankie Howerd Variety Show.† **11.02** Brian Matthew.† **2.02-5.00 am** You and the Night and the Music.†

Radio 1

5.00 am As Radio 2. **6.00** Dave Lee Travis. **9.00** Simon Bates. **11.31** Paul Burnett. **2.00 pm** Andy Peebles. **4.31** Kid Jensen. **7.00** Personal Call. **8.00** Mike Read. **9.50** Newsbeat. **10.00** John Peel.† **12.00-5.00 am** As Radio 2.
VHF RADIOS 1 AND 2: 5.00 am With Radio 2. **10.00 pm** With Radio 1. **12.00-5.00 am** With Radio 2.

World Service

BBC World Service can be received in western Europe on medium wave (648kHz, 463m) at the following times:—
6.00 am Newsdesk. **7.00** World News. **7.09** Twenty-four Hours. **7.45** Network UK. *8.00 World News. 8.09 Reflections.* **8.15** Europa. **8.30** Beryl Grey's World of Ballet. **9.00** World News. **9.09** *British Press Review.* **9.15** The World today. **9.30** Financial News. **9.40** Look Ahead. **9.45** Nature Notebook. **10.00** DJ Roundtable. **10.30** Sports International. **11.00** World News. **11.09** News about Britain. **11.15** Letter from London. **11.25** Scotland This Week. **11.30** Animal, Vegetable or Mineral? **12.00** Radio Newsreel. **12.15 pm** Melos Ensemble. **12.45** Sports Round-up. **1.00** *World News.* **1.09** Twenty-four Hours. **1.30** Network UK. **1.45** A Jolly Good Show. **2.30** Talkabout. **3.00** Radio *Newsreel.* *3.15 Outlook.* **4.00** World News. **4.09** Commentary. **5.00** World News. **5.09** Scotland This Week. **8.00** *World News.* **8.09** Twenty-four Hours. **9.15** The Pleasure's Yours. **10.00** World News. **10.09** The World Today. **10.25** Scotland this Week. **10.30** Financial News. **10.40** Reflections. **10.45** Sports Round-up. **11.00** World News. **11.09** Commentary. **11.15** Come Here. *11.30 Play.* *12.00 World News.* **12.09 am** News about Britain. **12.15** Radio Newsreel. **12.30** A Jolly Good Show. **1.15** Outlook. **1.45** Taken at the Flood. **2.00** World News. **2.09** British Press Review. **2.15** Singer Songwriter. **2.30** Talkabout. **3.00** World News. **3.09** News about Britain. **3.15** The World Today. **3.30** Benny Green's Album Time. **4.00** Newsdesk. **4.30** Sounds that *Sold a Million.* *4.45 Financial News.* **4.55** Reflections. **5.45** The World Today.

WAVELENGTHS: Radio 1 medium wave 275m/1089kHz or 285m/1053kHz. Radio 2 med wave 330m/909kHz or 433m/693kHz and 88-91 VHF. Radio 3 med wave 247m/1215kHz and 90-92.5 VHF. Radio 4 long wave 1500m/200kHz and 92-95 VHF. Greater London area only; med wave 720kHz/417m. LBC 261m, 97.3 VHF. Capital 194m, 95.8 VHF. World Service: med wave 648kHz (463m). BBC Radio London 206m, 94.9 VHF.

REGIONAL TV

Tyne Tees

As London except: Starts 9.20 am The Good Word. 1.20 pm North East News. *5.15 How's Your Father?* 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 7.30 Survival. 10.30 North East News. 10.35 Film: Goldenrod. 12.30 am Epilogue.

Granada

As London except: 1.20 pm Granada Reports. 5.10 This is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 A Man Called Sloane. 10.30 Film: The Virgin and the Gypsy.

Anglia

As London except: 12.05 pm Anglia news. 6.00 About Anglia. 7.00 Bygones. 7.30 You're Only Young *Twice.* 10.30 Film: Young Dillinger. 12.25 am Anthology.

HTV

As London except: 1.20 pm Report West. 3.45 The Entertainers. 5.15 Magilla Gorilla. 5.20 Crossroads. 6.00 Report West. 6.30 Best in the West. 10.35 Film: The Sound and the Fury. HTV CYMRU/WALES: As General Service except 10.10 am Mwy Neu Lai. 12.00 *Ffalabalam.* 1.20 pm *Penawdau Newyddion y Dydd.* 1.25 Report Wales. 4.15 Sbardun. 6.00 Y Dydd. 6.15 Report Wales. 6.30 Worzel Gummidge. 10.35 Bywyd. 11.35 World in Action. 12.05 am Father Dear Father. HTV WEST: No variations.

Scottish

As London except: 1.20 pm Scottish News. 1.30 Selwyn. 5.15 Tales of *Crime.* 5.20 *Crossroads.* *6.00 Scotland* Today. 6.30 What's Your Problem? 7.00 Take the High Road. 7.30 Father Dear Father. 10.30 Late Call. 10.35 Film: Innocent Bystanders (Stanley Baker, Geraldine Chaplin).

Ulster

As London except: 10.16 am Hop, Skip and Jump. 1.20 pm Lunchtime. 5.15 Cartoon. 5.20 Crossroads. 6.00 Good Evening Ulster. 7.00 Emmerdale Farm. 7.30 A Drop in Your Hand. 10.30 Film: *The Mackintosh Man* (Paul Newman). 12.25 am Bedtime.

ATV

As London except: 12.30 pm George Hamilton IV. 1.20 ATV Newsdesk. 5.15 Circus. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 England Their England. 10.30 ATV Newsdesk. 10.35 Film: Two Mules for Sister Sara (Clint Eastwood, Shirley MacLaine).

Southern

As London except: 1.20 pm *Southern* News. 5.15 Cartoon. 5.20 Crossroads. 6.00 Day by Day. 7.00 Emmerdale Farm. 7.30 Doctor Down Under. 10.30 Southern News. 10.35 Film: Trog (Joan Crawford). 12.15 am Weather and Endangered Species.

Westward

As London except: 1.20 pm Westward News. 5.12 Gus Honeybun's Birthdays. 5.15 *Bailey's Bird.* *6.00 Westward* Diary. 10.32 Westward News. 10.35 Film: Fragment of Fear (David Hemmings, Gayle Hunnicutt). 12.35 am Faith for Life.

Yorkshire

As London except: 1.20 pm Calendar News. 3.45 Calendar Tuesday. 5.15 How's Your Father? 6.00 Calendar. 7.00 Emmerdale Farm. 7.30 Survival. 10.30 Film: Casanova '70 (Marcello Mastroianni).

Border

As London except: 1.20 pm Border News. 5.15 Father Dear Father. 6.00 *Lookaround Tuesday.* 7.00 *Emmerdale* Farm. 7.30 Survival. 10.30 Luke's Kingdom. 11.30 Crime, the Public and *the Media.* *12.00 Border News.*

Grampian

As London except: 9.25 am First Thing. 1.20 pm North News. 6.00 *North Tonight.* 7.00 *Fantasy Island.* 10.30 Cover to Cover. 11.00 Reflections. 11.05 Film. The Secret Night *Caller.* 12.25 am North Headlines.

Channel

As London except: 12.00-12.30 pm Closedown. 1.20 Channel News. 5.15 Bailey's Bird. 6.00 Report at Six. 10.28 Channel News. 10.35 Film: Fragment of Fear. 12.35 am News and Weather in French.

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Box No replies should be addressed to: The Times, PO Box 7, New Printing House Square, Gray's Inn Road, London WC1X 8EZ

To place an advertisement in any of these categories, tel:

PRIVATE ADVERTISERS ONLY
01-837 3311

APPOINTMENTS
01-278 9161

PROPERTY ESTATE AGENTS
01-278 9231

PERSONAL TRADE
01-278 9351

MANCHESTER OFFICE
061-834 1234

Queries in connection with advertisements that have appeared, other than cancellations or alterations, tel:
Classified Queries Department 01-837 1234, extn. 7180.
All advertisements are subject to the conditions of acceptance of Times Newspapers Limited, copies of which are available on request.

PLEASE CHECK YOUR AD.

We make every effort to avoid errors in advertisements. Each one is carefully checked and proof read. When thousands of advertisements are handled each day mistakes do occur and we ask therefore that you check your ad and, if you spot an error, report it to the Classified Queries Department immediately by telephoning 01-837 1234 (Ext. 7180). We regret that we cannot be responsible for more than one day's incorrect insertion if you do not.

THE DEADLINE FOR ALL COPY IS 24 HOURS.

Alterations to copy is 3.00 pm prior to the day of publication. For Monday's issue the deadline is 12 noon Saturday. On all cancellations a Stop Number will be issued to the advertiser. On any subsequent queries regarding the cancellation, this Stop Number must be quoted.

"Then said Jesus unto his disciples, If any man will come after me, let him deny himself, and take up his cross, and follow me."—St. Matthew 16: 24.

BIRTHS

ABRAMS.—On 6th March, 1980, a daughter (Allison Lynne) to Johnne (née Lawrence) and Michael.

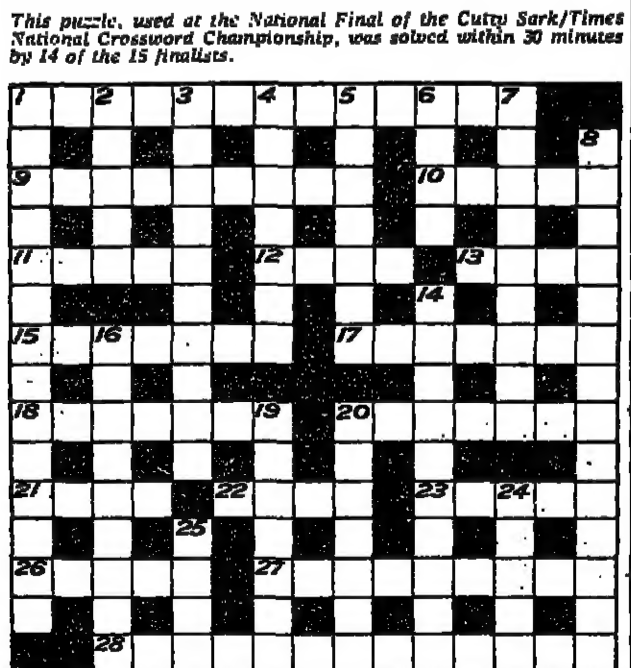
AULT.—On March 8th at The Louise Margret Hospital, Aldershot, to Jennifer (née Barker) and Graham—a daughter (Kathryne Fiona).

ATKINSON.—On February the 24th at Rochford, Essex, to Hilary (née Allin) and John—a son (Thomas Martin Edward).

CATTRALL.—On 1st March, 1980, ...

The Times Crossword Puzzle No 15,170

This puzzle, used at the National Final of the Cutty Sark/Times National Crossword Championship, was solved within 30 minutes by 14 of the 71 finalists.



ACROSS
1 The Natal Assembly (8, 5).
9 Boiling pot, and one steams—their pink specs? (9).
10 Rio's is four-figure number face General Robert (5).
11 Monster turns all but the head of tough author (5).
12 Back in the body of the church is Harrington (4).
13 Writer first to be hammered (4).
15 Aegean isle of a number of Asian jollifications (7).
17 Devil's trill by Jack? Can I say Giuseppe? (7).
18 Regain one redeveloped country (7).
20 Visible penetration (7).
21 Sheep here in a wavy landscape of France? (4)
22 Notable jargon (4).
23 Like Humpty Dumpty at the Eisteddfod? (5).
26 Error made by student before recess (5).
27 *Note hereon very good racing bloodstock* (5, 4).
28 Amazed to be so loudly clapped (13).

DOWN
1 Air-conditioners vacillate so (4, 3, 3, 4).
2 Reproved as house-owners may expect to be (5).
3 Back successfully, umbrella still rolled (4, 3, 3).
4 Queues heard demanding them (7).
5 Beastly dexterous in giving the go-by (7).
6 Short commons (4).
7 Insular Shetland opinion divided, becoming jaundiced (9).
8 Suffer a sharp (for Charles a fatal) rebuke (3, 2, 2, 3, 4).
14 One of the best to 8 once in France (10).
16 A churchyard to Gray, a fun place to us (5, 4).
19 Helped with a new £5 idea (7).
20 The whole figure in sheep return (7).
24 So long—see you at the Golden Gate? (5).
25 Returning in the landau he just drove furiously (4).

Solution of Puzzle No 15,169

G	A	I	N	I	N	G		P	A	R	A	D	O	S
L		N		D		U		L		A		I		W
U	T	T	E	R		E	R	A	D	I	C	A	T	E
T		R		I		R		Y		N		R		A
T	H	O	U	S	A	N	D	S		C	R	Y	P	T
O		V				S						O		E
N	E	E	D	S		E	N	C	H	A	N	T	E	D
		R		T		Y		A		T		E		
P	O	T	H	O	U	S	E	S		S	A	R	U	M
A				N				S				R		O
R	U	C	H	E		B	O	A	T	S	W	A	I	N
A		L		C		A		N		O		P		G
S	M	O	T	H	E	R	E	D		P	R	I	O	R
O		U		A		R		R		H		N		E
L	U	T	E	T	I	A		A	B	Y	S	S	A	L

BIRTHS

CRAWSHAW.—On 7th March, 1980 in Chelmsford, to Jo (née Salter) and Sebastian—a daughter (Sarah Lucy).

HALL.—On March 7th, 1980, to Jennifer ...

MARRIAGES

OVERTON : RODGERS (née Laundy).—John and Marjorie—on March 7th, 1980 at Monrovia, Liberia.

DEATHS

ALLEN.—On 8th March, Edward Hollins Allen, aged 75, of 4 Arbory Road, Castletown, Isle of Man, ...

THE MEMORIAL SERVICE for the late Mr Edward Mann, Founder and Chairman for Edward Mann Ltd., will be held at the Palmers Green and Southgate Synagogue, Brownlow Road, Bowes, London, N.11, on Monday, March 17th, 1980, at 8 p.m.

IN MEMORIAM

HARRIS.—John Wyndham Beynon Harris, who died on March 11th, 1969. Remembered continually with love and gratitude and pride.

ANNOUNCEMENTS

HAVE YOU AN IQ? Write for a confidential IQ test and membership details to British Mensa Limited (B), Freepost, Bond House, St. John's Square, Wolverhampton WV2 1BR.

GIRL, live as family, help with cooking.—See Domestic Vacancies.

A SEASON in Bill's Bar, Hydra. Your first communion with rainbows. W.J.C.

PADRE PIO SAID: "Pray, hope and don't worry". For more about this saintly man s.a.e. for Relic card/lists to: Stella Lilley, P.P. Information, 19 Bedford Row, W.C.1.

CAN YOU SPARE just one Sunday afternoon to have a Contact Group of lonely old people to tea?—Phone Contact 01-240 0630.

To the Rt Hon William Whitelaw

Yours Against the Decriminalisation of Harmless Pleasures!

Henry Root

♥ HEART ♥ RESEARCH

Only heart attack victims get younger every day

And the tragedy this brings to dependent families is all too imaginable. Research is tackling this problem. An "In memoriam" gift, donation or legacy would help us finance more.

British Heart Foundation
57/58 Gloucester Place, London W1H 4DH.

PERSONAL COLUMNS

ALSO ON PAGE 23

ANNOUNCEMENTS

THE TIMES

The Times deeply regrets the inconvenience and reduction in service to its classified advertisers. This is caused by severe staff shortages in the Telephone Sales Department. Whilst everything possible is being done to improve the situation, we would ask advertisers to continue sending advertisements and notices in writing to The Times, Room N315, PO Box 7, New Printing House Square, Gray's Inn Road, London WC1X 8EZ. If you require any further help, please ring 01-837 3311; we apologize should there be a delay in getting through.

CANCER RESEARCH CAMPAIGN

where more of your money goes on research. The campaign has one of the lowest expenses-to-income ratios of any charity, and is the largest supporter in the U.K. of research into all forms of cancer. Please help—with a legacy, donation, interest free loan or gift "In Memoriam".

CANCER RESEARCH CAMPAIGN
DEPT. TX5,
2 CARLTON HOUSE TERRACE,
LONDON SW1Y 5AR.

THE FRIENDS OF THE ELDERLY

(formerly Friends of the Poor), 42 Ebury Street, London, SW1W 0LZ, have been caring for old people for 75 years. The need is now greater than ever. Will you please help us to continue our vital work?

MEET INTERESTING PEOPLE at some of the 184 cultural sports and social events provided all over London in the March programme IVC. To find out more about this non-commercial leisure organisation for young (20-35) professional people, come to our central premises, The Intervarsity Club, 2-5, The Piazza, Covent Garden, W.C.2 (nr. junction of King St. and James St.) any Wed. between 7.30 and 9 p.m., 'phone 240 3525 (office hrs.) or write to Tony Harrison for details.

RETY OF BOND ST. seek seamstress—see non-sec. appts.

JOIN A CONTACT GROUP of volunteers, taking out elderly housebound people. Contact needs drivers with cars one Sunday afternoon a month.—01-240 0630.

HOTEL TO FILL? Cottage to let? Vacancies for all kinds of holidays from top class hotels to messing about on the river, from isolated cottages to painting courses, can be filled easily and quickly by advertising in The Times "Holidays and Hotels in Great Britain and Ireland" appearing every Friday until 18th April.—For further details ring Bridget on 01-278 9351. Advertisers in the north ring Manchester (061) ...

UK HOLIDAYS

13TH CENTURY GALWAY CASTLE in beautiful lakeside setting. Idyllic mediaeval ambience with all mod cons & equipment. Sleeps 9/12. £150-£250 p.w. Tel. 01-736 5479 or 01-628 9720.

SCOTTISH BORDER.—Top quality furnished cottages in Tweed Valley, 4 mls. from Coldstream. Salmon and trout fishing on Tweed. Tel.: Berwick-on-Tweed (0289) 82245.

SHORT LETS

HOLIDAY LETS.—Luxury flat in Lancaster Gate avail. 3-8 wks. to overseas visitors. 2 bedrooms, 2 bathrooms, lounge/diner, kitchen, laundry, c.h., washing machine, dish-washer, deep freeze, telephone avail. £150 p.w. incl. Tel.: Portland, 01-258 3956.

INSTANT FLATS, Chelsea. Luxury serviced. Mr Page 373 3433.

EDINBURGH. Comfortable central flat to let during the Open Championship and Festival—sleeps 4. For details ring Lighton 0905 36377/863436.

UNEXPECTED.—London visit. Budget serviced, short term. Kensington. Faildawn Apartments. 01-229 5006.

DRAYTON GARDENS. Pretty self-contained garden flat short let. 2 rooms, k. & b., c.h., col. TV. £90 p.w. inclusive. 373 5777.

HOLIDAYS AND VILLAS

EASTER IN GREECE

We still have limited availability during April including 2nd April Easter departure to the enchanting Greek island of Hydra & we can accommodate you in a super villa, studio or pension for as little as £150 pp 1 wk or £185 pp 2 wks inc flight, transfers & maid service—so make sure you don't miss out on this unique opportunity & telephone us today for further information & colour brochure on 01-373 7138 (01-373 0422 24 hrs), or write to:

VILLA VENTURE LTD.
123 Gloucester Rd. London SW7
ABTA ATOL 1239 B

JET TO SWITZERLAND FOR EASTER ON ONE OF OUR FALCON SWISS CITY SPECIALS

WINE AND DINE

JOSEPH AT THE LOWNDES mixes some of the best cocktails in London. He will prepare your favourite, in distinctive surroundings, at The Lowndes, 21 Lowndes Street, S.W.1.

SCOTCH SMOKED SALMON.—Great value, 2lb sliced laid back, £11.90. Treat yourself! "Mostly smoked." 01-532 2864.

UK HOLIDAYS

NORTH CORNWALL.—Cosy cottages, sea views, every comfort. Sleep 2, 4, 6, 10. Avail. Easter-mid-July.—Tel. Bodmin (0208) 850773.

CHUG THROUGH the Chilterns.—Bridgewater Boats, Berkhamsted 5616.

COTTAGE and B & B Holidays, VFB (Rural Britain).—0242 35515.

PORTHCURNO, Cornwall.—Cottage to sleep 6 near Minack and overlooking sea vacant for early holidays until 26th April: generous discount for long let. Phone Camborne (0209) 716620.

S. DEVON.—Georgian house in 7 acres offers s/c flats, coast 3 mls. Well behaved children and pets welcome. Tel. Mamhead (062 688) 276.

S. DEVON.—Flat, to May, £35-£56 p.w.—01-794 0237/673 6650.

PICTURESQUE POLRUAN.—Charming old cottage. Every convenience. Central heating, colour T.V. Self catering.—Ransley Polruan (072687) 384.

WANTED by professional family—weekend cottage to rent for 1 year. Sea or country south or west country. 4/6 beds. Please send details "Kersey", Logehill Rd., Ealing, W.13.

EDWARD LEAR lived here, 1876. Portman Court Hotel, 30 Seymour St., London, W.1. Marble Arch. Tel.: 01-402 5401. Singles from £11.50. Doubles £18.30.

NEW FOREST, nr. Lymington. S. wing of beautifully situated cottage adjoining Forest. Perfect peace. Sleeps 2. Available for holidays. Tel.: Brockenhurst (05903) 3178.

CLUB ANNOUNCEMENTS

SLOANE CLUB BEDROOMS
(With Continental Breakfast)
Single .... £10.00 per night
Double from £13.50 per night
Membership is restricted to ensure availability of accommodation.

The Sloane Club

There is a wide choice of bedrooms, containing colour TV, bathroom en suite, telephone, which overlook private gardens. In addition, the dining room, bar, Sloane reading and meeting rooms are all you would expect from a London club.

Details of membership from
The Secretary,
52 Lower Sloane Street, SW1
01-730 9131 Quote ref. T

HOLIDAYS AND VILLAS

SUNSHINE & SNOW

March is the time for that ski holiday the brochures always show—good snow and clear blue skies, with a chance of some springtime powder. We have a few great chalet holiday bargains still available on the following departure dates.

15 March
Megeve £179 p.p., 2 wks, £109 p.p., 1 wk.
Selva £209 p.p., 2 wks. B. and B., £129 p.p., 2 wks.
Campitello £199 p.p., 3 wks.
St. Anton £239 p.p., 2 wks.

22 March
Megeve £109 p.p., 1 wk.
Argentiere £199 p.p., 3 wks.
Tignes £219 p.p., 2 wks.
Verbier £219 p.p., 2 wks.

For further details please contact:
JOHN MORGAN TRAVEL
35 Albemarle Street
London W1X 3TB
01-499 1911 (24 hrs.) or 01-408 0474
ABTA ATOL 032BC
WE ARE NOW OPEN SUNDAYS 11 a.m. TO 4 p.m.

RHODES

Inclusive holidays available in tavernas and hotels. Flights from London Gatwick on Wednesdays April-October. Prices from £168 per person for 2 weeks. Rhodes, an island of small villages, medieval fortresses and a wealth of beach and sport facilities, together with a varied night life. For reservations, write or 'phone:

KYPROS HOLIDAYS
190 CAMDEN HIGH STREET
LONDON NW1 8QP
Tel. 01-267 9211

HOLIDAYS AND VILLAS

GREEK VILLAS

CRETE, PAXOS,
CORFU, CEPHALONIA

Four beautiful, unspoiled islands. Why not let the villa specialists for nearly 10 years suggest a villa holiday to suit your particular requirements—not ours! We have over 100 privately owned houses on our books (also studios and tavernas for couples), ranging from the ultimate in luxury with private beach or pool—to simple cottages in unspoiled fishing villages. All prices include daily maid, and direct day flight; some villas include cook, boat or car hire, and start from about £200 p.p. 2 weeks. Brochure:

CORFU VILLAS LTD.
43 *Cheval Place,*
London SW7
01-581 0851/4
(589 0132—24 hours)
ABTA ATOL 337B

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Inclusive arrangements from:

Milan	£69.00
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Turin	£69.00
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Treviso	£64.00
Geneva	£61.00
Tenerife	£99.00
Lanzarote	£74.00

Other European destinations on request.
Special Easter offers on request.

PILGRIM AIR LTD.
44 Goodge St., W.1.
Tel: 01-637 5311
ATOL 173 BCD

CRETE—ISLANDS OF MYTHS AND LEGENDS!

HOLIDAYS AND VILLAS

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The direct way to save money on inexpensive flights to most European destinations for you to do your own thing.

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CORFU	from £65
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Answerphone 01-727 5454
Manchester 061-336 7401
Birmingham 021-632 6591
Glasgow 041-204 1881
ATOL 890BD

VILLA VENTURE TO SUMMER ISLANDS

For the best selection of villas, studios & pension accommodation, see our stunning brochure which features properties on both the idyllic Italian island of Ischia & the enchanting Greek island of Hydra. We also feature private yachts available for charter around the Greek islands plus a unique 2-week yacht & villa combination holiday based on Hydra. For further information including a selection of properties available in other areas telephone or write to:

VILLA VENTURE LTD.
123 Gloucester Rd, London SW7
01-373 7138 or 01-373 0422 (24 hrs)
ABTA ATOL 1239 B

SKI ANDORRA!
MARCH SKIING FROM £84 FOR A WEEK

Duty-free Andorra costs less. A double Cognac is 17p and a 4-course meal is £2.50. Plus 7 full days on the slopes. ...

YOUNG WORLD HOLIDAYS
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UP TO £70 OFF SKIING HOLIDAYS

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WE'VE CORNERED THE GOLD MARKET

APHRODITE'S ISLAND CYPRUS

SPEND NEXT SUMMER IN AMERICA—ALL EXPENSES PAID

EASTER FLIGHTS FROM £35

UNITED AIR TRAVEL

FROM £59 RETURN

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Velvet pile, 10 colours, £3.45 per sq. yd.; cord, ... heavy quality ... 75 sq. yd. (All exclude VAT).

584-6 Fulham Road,
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48-hr. fitting service.
London's largest independent suppliers of plain carpets.

BUY WINE NOW BEFORE THE BUDGET

direct from the shipper (by case—12 bottles—VAT ...)
French bottled vin de ... £23.90.
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Chateau de ... '73 Bordeaux £23.00.
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LONDON WINE BROKERS
51 Ruvigny Gdns., Putney
01-785 9953
Hundreds of other wines available

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Cameras, lenses and accessories at some of the lowest prices. Amazing stocks of ... photographic ... with personal service at ... FOTO CENTRE, High Rd., Cowley, Uxbridge, Middx ... Heathrow Airport, M4. ... Telephone West Drayton ... for prices and details of discount buying club. (Personal export facilities for overseas visitors.)

OBTAINABLES.—We obtain the unobtainable. Tickets for sporting events, theatre, inc. Rugby. 01-839 3363.

MAIDA PINE. Dressers, chairs at unrepeatable ...

ROYAL ASCOT—WEEK

SERVICES

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